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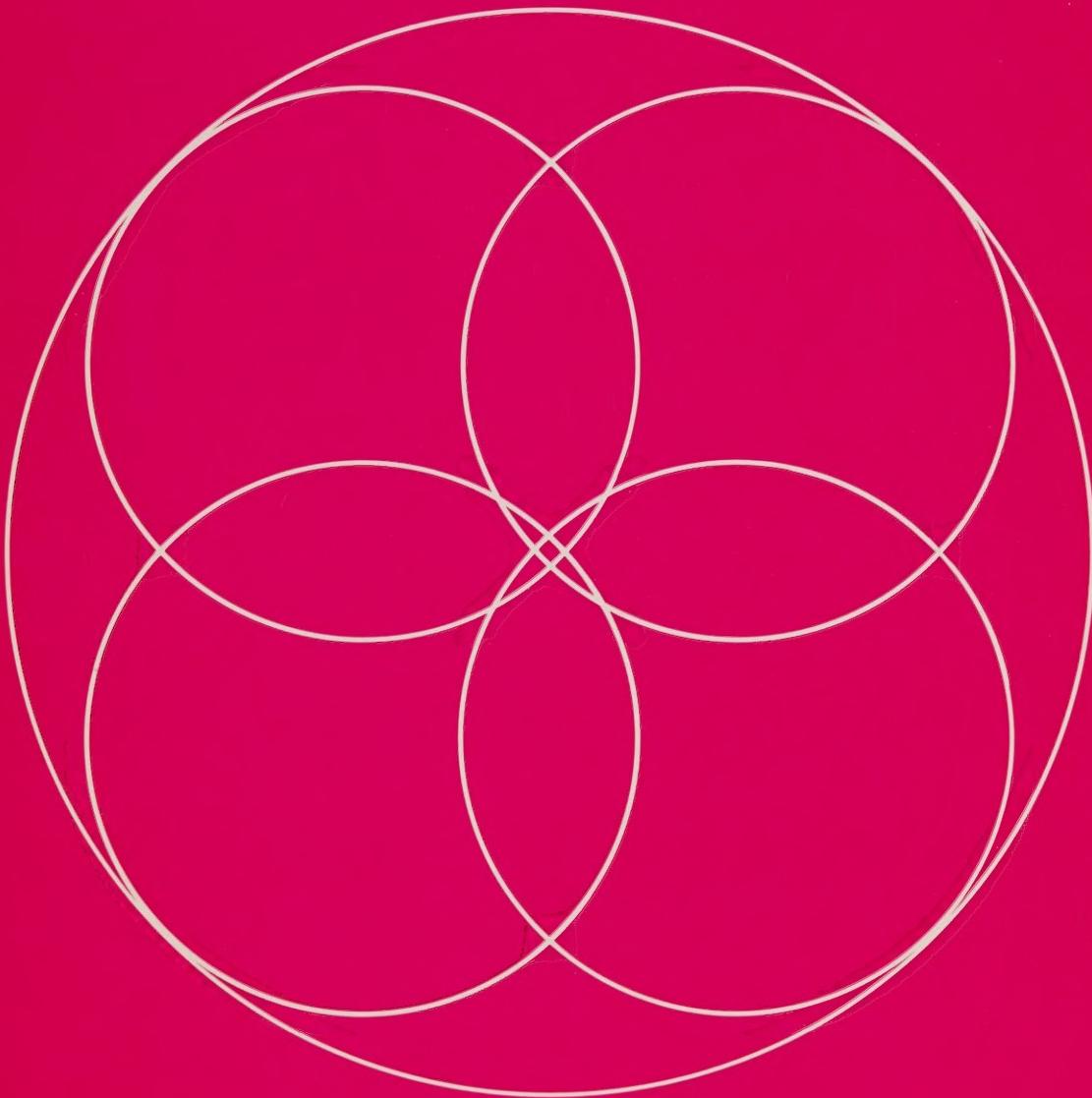
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Its Role in  
Local Government

V.N. MacDonald  
Jean Macleod





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# Corporate Management:

Its Role in  
Local Government

V.N. MacDonald  
Jean Macleod

June 1978

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The Local Government Management Project

A Joint Project of

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## Preface

The inspiration for this paper, and the basis for much of its content, evolved from experiences during the Local Government Management Project (LGMP). The LGMP was originally designed to test some approaches to the improvement of management in local government. Since the experiment was so comprehensive (four municipalities), and extended over such a long period of time (four years), it presented a unique opportunity to learn a great deal about the perspectives of both administrators and councillors in regard to their own roles and to the purpose and roles of local government in general.

The Project Team, from Queen's University, encountered both confusion and dedication on the part of administrators and elected members:

confusion regarding the roles of local government and of its constituent parts and, most particularly, with regard to the direction in which municipal efforts and community resources should be channelled; and

dedication to providing a service to the public, in accordance with the official's own perspective of the service requirement.

The LGMP staff found both strengths and weaknesses in municipal operations. Some aspects of management seemed to need particular emphasis in management improvement programs and special papers were written in these areas.

The first critical factor noted by LGMP staff was the general lack of a clearly defined corporate management system. Clarity of purpose, definition of roles, establishment of targets and the integration and co-ordination of human efforts are all part of effective management and all of these characteristics seemed to be lacking to some extent in local government. This paper is devoted to a discussion of that area.

A second problem area in municipal management was the lack of comprehensive attempts to measure individual productivity or program effectiveness. A considerable amount of experience in measurement was accumulated during the LGMP and a comprehensive paper was developed dealing with potential contributions to management improvement in this area.

The third and closely associated area consistently requiring management improvement, involved the development and utilization of management information. The major requirement seems to lie in the development of information systems which served the needs of indi-

vidual managers and a relatively short paper was written focussing upon this.

Any management improvement program has to deal with the general problems involved in introducing organizational change. A good deal of experience was accumulated during the LGMP which confirmed some aspects of the previous literature in this area and contradicted others. The conclusions which emerged are described in a separate LGMP publication on the introduction and implementation of organizational change in local government.

The four publications just mentioned are classified as technical papers, dealing with specific management problems. These, in addition to documentary publications describing the LGMP in some detail and drawing conclusions from the LGMP experience, form the major published output of the Project.

Financial support for the Project was provided by the four participating municipalities and by the Ministry of Treasury, Economics and Intergovernmental Affairs, of the Province of Ontario. In the municipalities, the senior administrators and municipal Project Leaders contributed in a major way to the experiment itself while two members of the Advisory Services Branch of the Ministry played an active role in the Project's success. Bryan Isaac of the Ministry obtained perhaps the best overview of the development and implementation of LGMP techniques, while Bonnie Brown provided support and valuable personal assistance with the publications.

Special thanks go to the senior administrators and councillors in the four Project municipalities, who participated in experiments designed to improve the council-administrative interface and to develop more effective approaches to corporate management. On-going programs exist in the Cities of St. Catharines and London, exemplifying quite different but probably equally effective approaches to the problem.

Peter Lawton contributed both thought and painstaking effort to the improvement of the manuscript, while Faye Gallery and Nancy Peverley patiently typed and retyped the numerous drafts.

The Project would not have evolved at all if it had not been for two people; Ted Gomme, Director of the Advisory Services Branch of the Ministry, took the initial risks which made the Project possible, and provided patient support throughout; Jim Nininger of the Conference Board of Canada was the Project originator and

was co-director for the first two years of implementation.

This paper has been written to provide some information for thoughtful consideration by municipal councilors and administrators. It is not a 'how to' book because every municipality must develop its own approach to management. The LGMP experienced both successes and failures in the area of corporate management improvement. We hope that this paper will help to

create a greater ratio of successes in subsequent efforts by other municipalities.

*V. N. MacDonald,  
School of Business,  
Queen's University at Kingston.*

*Jean Macleod,  
Local Government Management Project,  
Queen's University at Kingston.*

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## Introduction

Corporate management, as it is discussed in this paper, is nothing more or less than effective municipal management. As such, it should not require increased expenditure on personnel or the creation of a corporate management bureaucracy. It should, in fact, result in increased management efficiency and effectiveness over time, as a result of better utilization and co-ordination of the management resources already available.

During the Local Government Management Project (LGMP) experiment, a number of management improvement foci were identified in both project and non-project municipalities. They included:

- 1 development of better methods of determining both the perceived and real needs of the people in the relevant municipality;
- 2 a desire for clearer definition of the boundaries of municipal authority and responsibility;
- 3 a desire for defined key result areas (or goals) and broad corporate objectives at the council level, to guide the efforts of municipal administrators;
- 4 efforts on the part of municipal councils, to more clearly define the responsibility, authority and roles of municipal administrators;
- 5 the development of a co-ordinated management system that could provide councils with the broad corporate advice that is so badly needed; and
- 6 development, at both the council and administrative levels, of performance measurement and feedback systems that could indicate the degree to which political decisions have been effective and services delivered effectively and efficiently and that could provide guidelines for the development of a better municipal operation in the future.

These foci are related aspects of the need for a corporate management perspective in local government. Corporate management will be defined and described in some detail in Part I, but for the purpose of this introduction, it can be regarded as a comprehensive, integrated management system, designed to provide the political and service delivery needs of a municipality.

### PURPOSE OF THIS PAPER

In terms of language, content and potential action, this paper is directed to local government managers. It describes the processes involved in corporate management and makes some suggestions about methods of moving toward a corporate mode of operation. The intention is to supply councillors and administrators with a com-

prehensive management framework and a means of implementing new management concepts so they can improve the operation of local government.

In spite of its pragmatic orientation, however, this is not a 'how to' guide or handbook for setting up a 'good' corporate management process; such an undertaking would be both misleading and of little help. *The corporate management process must evolve according to the particular situation in each municipality, and cannot be imposed or introduced as a self-sufficient system complete in itself.* The interactions among and within different management processes (such as planning, information management, communication, budgeting, and so on) are far too numerous, complex, and different in each organization to allow such a simplistic approach. There is, therefore, no surefire 'system', no right way to work toward improved corporate management, and this paper should make that point clear to anyone under the impression that there is.

### OUTLINE OF THE PAPER

The paper has two parts and three appendices.

Part I deals with an explanation of corporate management in local government, what it is, and how it might operate.

Appendix I supports this explanation by providing information on some of the United Kingdom approaches to corporate management which may have some relevance for Canadian experiments.

Appendix II defines strategic planning in some detail and indicates ways in which strategic planning information (which contains corporate planning data) has been obtained from the public and discusses the strength and weakness of some of these methods of obtaining strategic planning input.

Part II outlines a process for the implementation of corporate management, including initiatives which appear to be necessary at both the provincial and local government levels. Different processes apply to different municipalities because size, structure, and location have a very great effect. Some thoughts are included on the development of an adaptive potential in local government. An extensive bibliography was developed by the LGMP staff and is available upon request. Such a potential is necessary to enable it to cope with environmental challenges and to meet the needs of citizens as they fluctuate and develop.

Appendix III outlines the other Project Publications.



# Part I

6



# What Are The Requirements of Corporate Management?

Corporate management as discussed in this paper is nothing more or less than effective management. The processes required can for the most part, be implemented by the present council and administration and they should act to reduce, rather than increase, bureaucracy and municipal staff expenditure.

*Corporate management in local government can be broadly defined as the co-ordination and integration of the efforts of all the people in a municipal organization in order to fulfill the purpose of municipal government as efficiently and effectively as possible.* On the following pages, the requirements of a corporate management system will be outlined in some detail. The requirements as outlined do not represent the only feasible approach to corporate management but most of the elements mentioned here appear to be necessary in some form. Various municipalities in Great Britain have probably experienced more and varied forms of what is generally called 'corporate planning' than those in either the United States or Canada, and a brief description of some of the British experiences is attached as Appendix I.<sup>1</sup>

Before beginning the description of the characteristics of a corporate management system and to avert possible confusion it might be wise to identify the associated concepts of strategic planning and management, which are also major problem areas in local government management. Strategic planning is not covered in detail in this paper because the LGMP staff did not obtain any experience in dealing with strategic problems. Strategic management issues include the joint planning of community development and the management of community resources through liaison with other levels of government and local boards and commissions. Therefore, effective corporate management is a necessary precondition for a worthwhile municipal contribution to strategic management. Further clarification and discussion on the issue of strategic management, and a brief description of some attempts to define strategic goals and objectives are contained in Appendix II.

Having briefly clarified the relationship between corporate management, which falls within the council's area of responsibility, and strategic management, which requires integration with other boards, agencies and local governments, some of the primary requirements of corporate management will be briefly identified and then described in some detail.

## CORPORATE MANAGEMENT PROCESSES

A corporate management system in local government requires the following inter-connected processes.

- 1 An ongoing examination of the purpose and roles of a municipal government.
- 2 Clarification of the respective contributions of council and the administration to a municipal operation.
- 3 Determination of a definite direction for management efforts (goals or key result areas, and objectives).
- 4 Ongoing delegation of authority and assignment of responsibility to the administration by council.
- 5 The identification of roles and targets for all managers.
- 6 The development of appropriate structures.
- 7 The development of procedures to promote efficiency and effectiveness.
- 8 The development of an adaptive capability.

Each of these processes will be discussed in some detail, to indicate why they are necessary and what each of them means to management.

### 1 An Ongoing Examination of the Purpose and Roles of a Municipal Government

In Canada, Provincial governments have the responsibility for the establishment, monitoring and control of local government. They delegate authority, assign responsibility to municipalities and enact the appropriate Provincial legislation. Therefore, any desired changes in the scope and nature of local government authority and responsibility must be negotiated with the Province.

There are several reasons for suggesting that a clarification of the municipal role is the first required step in corporate management.

- a The roles of municipal government have changed considerably over the years and even vary greatly at the present time between municipalities with different populations. The role of municipal government in thinly populated rural areas is primarily that of maintenance for the Province, whereas in large metropolitan areas it usually consists of a complex combination of political and service delivery roles. (The various political and service delivery roles are identified and discussed in some detail in Part II.)

<sup>1</sup> For an interesting account of some of the problems experienced by one British municipality we recommend 'The Birmingham Saga', *Corporate Planning*, Volume 4, No. 2, Nov., 1977. Published by the Institute of Local Government, University of Birmingham.

- b** The political roles of municipal government become increasingly complex and important in highly urbanized areas and this importance is frequently underestimated by the public and by municipal councillors and administrators. Political roles include the conflict resolution and community co-ordination functions of council. They involve decisions regarding both types and level of service delivery and also decisions regarding development, zoning, facility locations, etc., in fact, all municipal decisions with the exception of those related to the effectiveness and efficiency of service delivery.
- c** People have become increasingly dependent upon local government for a variety of services, and as more community owned facilities are constructed (roads, parks, arenas, airports, etc.) more people feel both the positive and negative impact of political decisions. Unless the role of council in making decisions that affect a vast number of citizens is clear, unintentional discrimination and unfair treatment can easily result. Protection for all citizens is a primary responsibility of municipal government and the potential consequences of local government decisions need to be carefully considered.
- d** Expanding transportation needs, commercial and industrial development, tourism, social services, and other service and political questions cannot be dealt with in isolation within one municipality. They require negotiation with the Province, a Regional government, if applicable, and other municipalities. This means that an understanding of municipal roles in these areas, on the part of councillors and administrators, is particularly important.
- e** Clearly defined roles in regard to service delivery are necessary to guide councillors and administrators in establishing goals and broad objectives for the municipality.

## **2 Clarification of the Respective Contributions of Council and Administration to Municipal Operations**

The relative contributions of council and administration to the achievement of the overall purpose and roles of a municipal government need to be clarified. Only in this way can the potential inputs of both council and administration to the effective operation of local gov-

**2** While the diverse attitudes and motives of councillors and the needs of their constituents create difficulty in rapid decision making this is, at the same time, the greatest strength of councils as political bodies, because the viewpoints of municipal citizens are represented. Even at the political level, however, public participation is limited by the lack of party platforms, and for the same reasons councillors cannot be held responsible for election promises. This report is not designed to go into detail on this issue, however, it is apparent that well defined roles, goals and objectives by the municipal council and administration do give the public something concrete to consider, and public reactions to stated goals and objectives should be useful in determining future municipal directions.

**3** Every municipality is at a different level in different aspects of corporate management so this framework merely contains the processes the LGMP staff feel are important. Municipalities can establish a process to identify their own weaknesses.

ernment be optimized. Some thoughts on the different municipal roles follow.

### **a POLITICAL ROLE OF COUNCIL**

Councils make the political decisions in local government and are reasonably well equipped to do so as a result of their representative nature.<sup>2</sup> Whereas the council is equipped to play a political role, it frequently lacks the information required for political decisions. Some of this information can be supplied by the administration.

### **b ADMINISTRATIVE ADVISORY ROLE**

The administration should be able to supply council with trend analyses, public responses to services in the past and probable costs and benefits of potential administrative programs. Thus, while the administration does not make political decisions, administrators can play an important role for council by obtaining and supplying relevant information.

### **c COUNCIL'S SERVICE DELIVERY ROLE**

Decisions regarding the level and extent of services are political decisions and must be made by council. Ideally, these are stated in the form of municipal goals and broad objectives which provide guidelines for administrators. In addition, council must select, monitor and evaluate top administrators, providing rewards for effective performance and ensuring that cases of inadequate performance are identified. Where council has hired a chief administrator, responsibility for at least part of these latter roles, with respect to other administrators, can be assigned (not delegated) to him.

### **d ADMINISTRATIVE MANAGEMENT ROLES**

Administrators are responsible to the council for the effective and efficient delivery of services. They need guidance from council in the form of goals and broad objectives, but their ability to manage is adversely affected by council interference in the details of their management roles. Thus councillors need to follow the chain of command in resolving problems, and administrators need to ensure that instructions flow rapidly through administrative levels when councillors request some remedial action.

Clarification and mutual understanding of these respective roles is a necessary form of communication and is required to bring about mutual acceptance of the roles.<sup>3</sup>

## **3 Determination of Municipal Corporate Direction (Goals and Objectives)**

All the major municipal management improvement initiatives, including program budgeting, management by objectives, and management by programs, have involved the determination of goals and objectives.

Where corporate management has been initiated in the United Kingdom, the establishment of key result areas and objectives has always been an important part of the program. The LGMP experiment clearly identified the need for corporate goals and objectives for several reasons:

- a** they are necessary so that the council itself, particularly one with a number of new councillors, is aware

of the way in which municipal funds are being expended and of the potential long range effects of present decisions;

- b they provide the administration with a reference for the planning of future expenditures and for the submission of recommendations to council which will contribute to the achievement of council's plans for the municipality; and
- c they provide the public with a frame of reference, so that citizens can make effective suggestions regarding the changes they desire in municipal plans for the future. This also enables citizens to make more realistic suggestions for new municipal regulations, facilities and types or levels of service. Goals and objectives also provide individual councillors with potential election platforms that, in turn, may provide the public with some alternatives at election time.

From a management point of view, of course, the main function of goals and objectives is the directional one; to improve the effectiveness of operations and to contribute to better operational planning for the future.

Councils that are clear on the roles of municipal government, should be in a position to make decisions regarding the management goals and objectives required to fulfill those roles. To make these decisions they should know what the trend of decisions made by previous councils has been, what citizens would like to see in the future, and what the relative costs are of the various paths which they might take. This represents some of the most important information required to set corporate goals and objectives. Methods of obtaining such information will be discussed in Part II.

#### **4 Delegation of Authority and Assignment of Responsibility to the Administration by Council**

Councils traditionally have assigned responsibility for the delivery of municipal services to administrators on a functional basis. Administrators in smaller, less complex municipalities have been able to operate effectively with rather limited guidelines because the services supplied fall within functional lines and because councillors themselves are quite well acquainted with municipal operations. Councillors in such municipalities frequently get involved in the details of the service delivery operation in addition to the political and top management roles.

In larger, more complex municipalities, the scope of municipal activities is greater, as already described. Councils are larger and less able to reach a consensus and the service delivery and political decision requirements do not fall neatly within functional lines. Thus, as indicated in section 3 above, the establishment of clear direction for municipal political and service delivery operations is recommended, in the form of goals and broad objectives.

Corporate goals and objectives provide a municipal council with a better basis for the assignment of administrative responsibilities. Frequently, however, goals and objectives cross traditional functional lines and service delivery management problems may result.

When this happens, the delegation of authority and the management control and monitoring process is quite complex.

The LGMP experience indicates the need for the appointment of a particular administrator who can act as an integrator and co-ordinator of administrative efforts, assigning responsibilities, allocating resources, monitoring overall administrative operations and evaluating results. This chief administrator would be directly responsible to council for the overall operation of the administration and would assist council in obtaining, evaluating and providing reward systems for top administrative staff. A similar co-ordinative management function may be filled by a senior department head or even by council itself in smaller, less complex municipalities, but the need for integration of some type definitely exists.

It is possible, of course, that a committee of department heads can fill this co-ordinative function. The LGMP staff consider this to be such an important issue in corporate management that it will be discussed in some detail at this point, even though this entails the inclusion of information which logically fits in the next part of this paper.

Of the four municipalities in the LGMP experiment, two had chief administrators. Each of the other two municipalities had a committee of department heads. Senior administrators in the latter two worked with strong council committees to define the level and type of municipal services that would be supplied.

Neither of the municipalities without a chief administrator were able to deal effectively with corporate issues. (These are simply issues that do not fall within the area of service responsibility of a particular functional department.) In fact, there was quite evident competition for resources between departments, rather than a co-ordinative effort to operate as efficiently as possible.

Committees of department heads in both of the municipalities that did not have a senior administrator were primarily a means of communication between department heads. The committees had no decision-making authority and, therefore, were not able to resolve issues regarding authority and responsibility within the administration. For example, there was no method whereby pressure could be exerted on support departments that did not wish to improve the support service they offered to other departments.

Corporate issues which involved more than one department were seldom given a thorough airing. In fact, there was no direct route whereby administrators could report to council on corporate issues. This meant that, where it took place at all, each major department head would report his perspectives, and possibly his recommendations regarding corporate issues, to the council committee acting in his functional area. Conflicting conclusions and recommendations might well be presented by different administrators to different committees, particularly because such issues had not usually been thoroughly discussed by the committee of department heads. With such poorly thought out and possibly conflicting advice from their administrators,

inaction on the part of council was the most probable result.

Councils are reasonably effective political bodies as a result of their representative nature. They can also assume a 'Board of Directors' function in the service delivery area, considering, revising and approving the plans and recommendations of their top administrators. When they try to assume the additional role of operations management, however, inefficiency and ineffectiveness are the almost inevitable result. The only exceptions might occur in small municipalities with few, if any, complex service problems.

The reasons why it is hard for councillors to play operational management roles are evident.

- a Councillors are unlikely to have the management experience or the technical knowledge required.
- b Councillors usually have only shallow knowledge of the service delivery operation.
- c Councillors may find it hard to represent their constituents in council debates and still play an unbiased top management role.
- d Councils, as a result of their necessarily diverse make-up, have great difficulty reaching consensus upon unrefined issues where the alternatives need to be defined before they are debated, as in the case with most policies, goals and objectives. Where they are dealing with an administrative or executive committee recommendation or set of alternative proposals, councils are able to make choices by majority vote. Whenever the issue is not focussed, however, councils are usually unable to resolve internal conflicts.

When issues fall within the functional areas of particular department heads councils will receive the type of advice they need. Unless, they have appointed a chief administrator, however, they are unlikely to receive adequate advice with regard to the more general issues facing the municipality.

## 5 The Identification of Roles and Targets for all Managers

Effective corporate management entails the involvement, co-operation and contribution of every manager in achieving the corporate purpose. The corporate purpose or even the departmental purpose and role is usually somewhat remote from the role that each individual manager must play. Thus to guide his own efforts, each individual needs to define the purpose of his job and his management role, in company with his senior manager. The process of establishing the purpose and roles of each manager is an important one. Each manager contributes to the achievement of corporate objectives and defined roles will help him to carry out his job effectively.

<sup>4</sup> The process of goal and objective setting is covered in detail in *The LGMP Experience: Guidelines for Organizational Change in Local Government*.

<sup>5</sup> See the LGMP paper *Improving Management Performance: The Contribution of Productivity and Performance Measurement*, Part I, for greater detail.

Once he is clear about the roles he should be playing, the manager can establish key result areas (or goals), to guide his ongoing management operations, and specific targets for both the long and short term. To provide continuity with higher level goals and objectives, each manager's goals and objectives need to be finalized through consultation with his superior. The involvement of people in developing their own goals and objectives can contribute to effectiveness, through integration, and to motivation, through involvement, at all administrative levels.<sup>4</sup>

Output targets are important and should be established whenever possible. Targets in such areas as management development of subordinates, co-ordination, supplying of support services, methods improvement, communication, and the improvement of feedback, are also potential ways of improving the effectiveness and efficiency of the operation.<sup>5</sup>

Councillors and upper level administrators typically spend more time obtaining and passing on information, communicating with other managers, identifying and solving problems, and attending special purpose meetings, than they do dealing with problems in their own narrow service or technical area. Objectives in many of these areas are hard to determine and measures of effectiveness are difficult. Such activities are very important, however, and the only way to ensure that the time spent in meetings, such as those involving joint planning and co-ordination, is worthwhile, is to set definite targets for the meetings and to evaluate the degree to which those targets are achieved at the end of each meeting.

## 6 The Development of Appropriate Structures

As the roles, goals and targets of the municipality and its managers are more clearly outlined, new patterns of interaction and authority relationships may be required. The appropriate management structure for any given municipality is partially dependent upon municipal population and upon other aspects of its environment, such as regionalization. In smaller municipalities, with less demanding political and service needs, councillors may be able to contribute to the management of operations. Even in larger cities, well informed councillors on functional committees, can contribute to better mutual understanding and communication between council and administration. A more thorough examination of some potential council relationships at this point should be useful in thinking about the requirements of corporate structure.

### a COMMITTEE ROLES

The LGMP staff feel that in all municipalities, operational service delivery decisions are better left to municipal administrators. Committees of council can play a role in such cases, in that the councillors on the committees become better acquainted with the service delivery issues in the particular functional area or areas. This knowledge enables them to make recommendations to council with regard to levels of service delivery and the physical plant and manpower requirements of the administration. Councillors on committees also become well acquainted with the relevant department heads and

are better able to advise council as to how well those department heads are doing their job.

Thus committees of council can play valuable roles by enabling certain councillors to become more aware of administrative management issues and of administrative strengths and weaknesses. The LGMP experience indicates, however, that such committees can also have divisive effects. Councillors on particular committees become biased towards the services which fall in their committee's area of responsibility and they also frequently become defendants of the current mode of operation. By focussing their thoughts on functional areas and on current methods of operation, councillors may neglect corporate issues that arise, which do not fall logically into one of the existing functional categories. There is often no structure at the council level designed to deal with corporate administrative recommendations or to trigger council discussions on corporate issues.

In cases where there were strong committees and no chief administrator, it was the LGMP experience that there was less effective administrative co-ordination, more duplication, more ineffective support services, less planning, and fewer other initiatives in major political decision making areas such as transportation, social services, industrial, commercial and residential development, tourism, liaison with other municipalities and, as a result, less communication to the Province regarding the issues most important to the municipality.

#### **b COUNCIL'S NEED FOR CORPORATE PROPOSALS**

There seems to be no question that councils need concrete proposals containing clearly stated recommendations and alternatives in order to make effective decisions. Councillors can make suggestions regarding things they would like to see and issues they would like to resolve. They can also indicate what they feel municipal priorities should be, thus identifying tentative goals and objectives for the municipality. Councillors attempting to debate major issues, however, without a good deal of focus in the form of recommendations and clear alternatives will become lost in detail, will be frustrated, and the issue will probably be shelved. In the same light, if councillors try to establish municipal goals and objectives without some initial focus in the form of executive committee or administrative recommendations, the most they can accomplish is the generation of a set of generally acceptable statements which are not sufficiently specific to provide guidelines for administrative action. On the other hand, a set of tentative goals and objectives formulated by the administration, or even by an executive committee of council, will provide the council with something concrete, which can then be considered, revised, returned for redrafting and eventually approved.

To provide council with a corporate advisory, focusing on all the issues which local government must resolve, some form of executive committee could be useful, particularly where there are strong council committees in the functional areas. Even where there is a chief administrator operating with an effective committee of department heads, there also appears to be a

role for an executive committee of council, unless the council itself is relatively small, consisting of not more than six or seven councillors.

The main function of an executive committee lies in its potential to consider the political implications of administrative recommendations in some detail and then to advise the council regarding those implications. For example, an administrative group might recommend a seemingly rational plan for transportation facilities in a municipality, but councillors, being more aware of public reaction to the destruction of presently used routes, buildings, etc., and to public feelings about freeways, might decide upon a considerable number of changes in the plan to make it more politically acceptable. Such a decision left to the whole council could result in useless debate, confusion and probably shelving of the proposal because of the difficulty of focussing a large number of councillors upon particular aspects of the plan and resolving the various issues sequentially. An executive committee of council would not be so unwieldy, however, and it could discuss the implications of the proposal without any grandstanding and then could present council with both the original plan and the political considerations which might apply.

While formal structure is never an exact indication of the actual patterns of interaction in any organization, there can be no question that it is an important factor. An executive committee may not ensure that the council is able to deal more effectively with corporate political and service delivery issues. In the same light, a chief administrative officer will not ensure co-ordinative and co-operative behaviour within the administration in dealing with corporate issues, but, at least in both cases, the potential exists for a co-ordinative corporate perspective and the integration of management efforts.

#### **c CORPORATE CONTRIBUTION BY THE ADMINISTRATION**

The most effective administrative structure from a corporate management perspective would seem to be a structure where the chief administrative officer (CAO) works with department heads in a senior administrative team and offers corporate advice to council as a result of team discussions. The senior management team also can give support and advice to the department heads and the CAO can provide his advice regarding departmental proposals and recommendations before they are presented to the council by department heads. In such a structure the CAO takes responsibility for all recommendations going to council. That responsibility is shared with a department head, in the case of technical matters, where the CAO can signify his agreement or disagreement with the recommendations of the department head since he is basically responsible to council for all administrative advice and recommendations.

### **7 The Development of Procedures to Promote Efficiency and Effectiveness**

Procedures are essentially a form of communication which tell the people in an organization how to do things in a common and routine manner. Thus when more than one individual or organizational unit is involved, procedures provide the means for co-operation

and co-ordination. Procedures for routine interactions are required at almost all interfaces between the various segments in a municipal organization. Obviously, therefore, the procedures required will be highly dependent upon structure, and changes in structure will require accompanying changes in procedures. Procedures need to be dynamic (known, used and continuously updated) to be effective, and usually should be developed through the involvement and input of all parties who use the procedure. Procedures are required in a municipality for such purposes as:

- a obtaining feedback from the public regarding the degree to which present levels of service are meeting citizens needs, and also in regard to their needs for service and desires for municipal development in the future. Administrators can set up routine procedures for feedback on service and can establish special questionnaires or surveys to obtain public reactions to political decisions. Councillors can establish regular contacts with citizens to obtain feedback on service delivery, and input for political decisions and plans for the future;
- b procedures for council decision-making which are appropriate to the structure developed, e.g. when the executive committee obtains information from the administration, the other members of council, and the public, and then presents its recommendations to council for approval;
- c procedures for council/administration communication, including:
  - i procedures which ensure that council requests for information or council decisions requiring administrative action are transmitted to the appropriate administrators and that they are understood by those administrators.

There is also a need for procedures whereby administrators can advise councillors of the potential administrative time involved in meeting certain requests for information, so councillors are able to decide whether or not the information requested is worth the time costs involved;<sup>6</sup>

- ii procedures for the development of administrative recommendations for council, to ensure adequate input by all administrators who might be able to contribute, and for the submission of those recommendations to council. Committees of department heads or other administrative or council committees need operating procedures to ensure that the agenda items they discuss and the recommendations they make, fall within their zone of responsibility, so they do not waste time with issues that could be handled more effectively elsewhere. Many repetitive questions could be

<sup>6</sup> A reader has suggested that councillors probably do not particularly care. That has been the LGMP experience as well, and we suggest that, if there is a desire for a lean, hard administration, perhaps councillors should be more aware of such costs.

<sup>7</sup> Procedures for problem identification and for the development of effective support services are outlined in the LGMP paper: *The LGMP Experience: Guidelines for Organizational Change in Local Government*.

better resolved on a continuing basis through a routine procedure. There is also the problem that committees can easily begin to replace individual decision-making at some considerable costs in terms of time unless managers at all levels ensure that committee decisions are really appropriate.

It was the LGMP experience that administrators were frequently hesitant to take the initiative in making unsolicited recommendations to council for fear of censure or of becoming targets for personal political manipulation;

- d procedures for the identification and solution of problems at all management levels. Effective problem identification should involve those people who receive a service or purchase a product, those who actually carry out the operation of supplying the service, and those who have the managerial authority to change the type of service and method of delivery. When the service is being supplied to the public it is usually difficult to obtain active public involvement in problem identification and, therefore, limited feedback on reactions of the public to service must suffice. Internal support services do not have this problem and the recipient of the service, the actual suppliers, and the upper level administrators who can change the service, revise the procedures, etc. can be involved in the process of problem identification. Potential solutions can be generated at the same time as problems are identified;<sup>7</sup>
- e procedures which facilitate co-ordination and co-operation within local government in mutual support services and in effective service delivery. Each type of municipal structure will require different interactions between units of the organization. Mutually agreed upon procedures can result in common filing and data storage and retrieval systems and in the common use of expensive data processing equipment.

Purchasing procedures need to be adjusted and adapted to meet the needs of particular managers. Quite different regulations, forms and interactions may apply to the needs of different user departments. Budgeting in a social service unit is quite a different problem than it is in an engineering department, and different approaches to budget preparation may be necessary. Particularly where a department performs a support function, e.g. motor equipment pool, or personnel training and development, budgeting may involve both clients and suppliers of the service. Personnel departments may be able to select clerical employees for almost any organizational unit but may not be able to perform even an effective screening function for professional applicants. Professionals may wish to do their own recruiting and selecting. Only through meetings between suppliers and users of a support service can satisfactory procedures be established;

- f procedures for evaluating the effectiveness and efficiency of programs, of individuals and of service delivery in general. Unless measurements of performance are available, managers have little informa-

tion to indicate whether or not they are using human, financial and time resources efficiently and effectively. This is a complex topic which is covered in great detail, with some examples, in another LGMP publication.<sup>8</sup>

A few points are worth repeating here, however.

- i Managers should be involved in the generation of measures for their own performance and programs.
- ii Evaluation should be regarded and treated as part of a manager's role and responsibility.
- iii Measures are possible for almost all the functions of a manager, and certainly for all technological areas.
- iv A critical aspect of evaluation involves the periodic re-examination of the purpose and goals of an organization, an organizational sub-unit or an individual manager.

## 8 The Development of an Adaptive Capability

Effective corporate management is dynamic in terms of responses both to internal changes in purpose, roles, structures and procedures and to changes which occur in the external environment. The main requirements for an adaptive capability are:

- a the reinforcement of initiative, active problem identification and problem solving on the part of all employees and managers at all levels;
- b ongoing support from top management, including constructive feedback when required. Active managers with high initiative will make mistakes occasionally. If higher level management over-regulates for that reason, however, innovative and, therefore, adaptive capability will eventually disappear;
- c management training for internal consultants and senior managers in the use of management training and development techniques so they can provide other managers with advice, support and feedback, when required, to help them to develop desirable management practices;

d the involvement of managers within the municipality in task groups with particular management improvement objectives that influence the operation of the municipal organization; and

e the encouragement of a strong public interest in local government. Individual citizens and citizen interest groups can help a council and administration to become more aware of changes in values and attitudes. This interest can be aided through the identification of goals and objectives at the corporate level and the publication of those goals and objectives for public review.

## SUMMARY

On the preceding pages, an attempt has been made to outline and explain the processes required in a municipal corporate management system. In particular, clarification of the roles of both council and administration and the clear definition of appropriate formal structures are considered to be important.

Corporate management can be implemented with the existent staff in most local governments. Even where it entails the hiring of an administrative co-ordinator, it may be possible, in time, to reduce staff in other areas, as a result of the improved co-ordination and co-operation that should result.

<sup>8</sup> Improving Management Performance: The Contribution of Productivity and Performance Measurement.



## Part II



# Implementation of a Corporate Management System

The effective implementation of management improvement requires a definite objective and a structured method of reaching that objective. The objective, in this case, is the establishment of the corporate management processes described in Part I. The structure of the program and the potential methods to be used are described on the following pages. This is presented as a discussion of actions which may be taken by different management levels, rather than as a step-by-step prescription which can be applied to any municipality. In fact, of course, the process of implementation will differ radically with every municipality. The current status of management, the current structure, the inter-relationships and the personalities involved all differ. Thus, if this appears to be a 'how to' paper, it is really meant to be more of a discussion of considerations in implementing corporate management which may or may not apply to any particular municipality. The LGMP experience indicates that the concepts outlined here are sound and that the processes described very likely will apply in most situations, but it must also be remembered that every situation is unique.

It may seem, at times, that the initial part of this paper, which identified the requirements for corporate management, is being repeated. However, the emphasis in Part I was upon requirements whereas the emphasis here is upon the action required at each management level to implement a system.

In planning for and thinking about the scope, form, and timing of a corporate management improvement program the following four cautionary considerations should be carefully reviewed.

1 There are some important features of management improvement programs as they apply to individual managers.

a A councillor or administrator will not even attempt to make a change in his method of management unless he feels that some personal gain and/or some benefit to the municipality will result from the change.

b Particularly for most councillors, but also for administrators, time is precious and they need to feel that any time they spend in an educational process will definitely result in management improvement. If an incentive is not inherent in the process itself, it must be created by pointing out the benefits which can be obtained. It is important to note that incentives for councillors to engage in time consuming management programs are rather

limited. Such incentives can originate from the Province, from the public (through the press) or they may be intrinsic to the councillor himself.

c Management changes take place gradually, and any attempt to make a number of changes at one time will result in confusion. Both the gradual nature of change and the tendency for a number of simultaneous changes to be confusing result from the fact that changes usually require a number of steps. Those include:

- i the acceptance of the concept of a new technique by the manager;
- ii a try at the new technique, followed by positive feedback for trying; and constructive feedback to help improve the manager's effectiveness with the new technique; and
- iii subsequent repetition until the manager has been able to adapt the new technique to his management approach (this means that each manager may use the technique in a slightly different manner).

d Managers who are to make the changes need to be involved in identifying the current problem areas in management as compared to the desired management behaviour. They also need to have some control over the speed and method of change. This really means that an implementation process will only become dynamic and useful if the managers in a particular municipality decide upon the implementation program and methods which suit them, try out the new approaches in a positive climate, obtain constructive feedback and gradually shape those processes to suit their management styles.

2 Whatever structures or procedures are introduced, the political freedom and effectiveness of council must be fully protected. This means that:

- a council must retain its representative nature and councillors must not be constrained from expressing their opinions on any subject whatsoever;
- b councils must continue to make the political decisions in the municipality, albeit with better information and with more comprehensive administrative advice;
- c councils must play a top management role in hiring, evaluating and in rewarding the performance of top administrators or in dismissing them if performance warrants.

**3** The council and administration must guard against the creation of excessive bureaucracy, e.g. a corporate planning division. Corporate management is simple, effective and efficient management. Every committee, every manager, and every program must have a defined purpose and the simpler the structure and procedures the better. The least complex alternatives should be chosen whenever possible.

Councillors and administrators are the corporate managers and each of them contributes to corporate management (or detracts from it) with everything they do. In other words, all the efforts of both councillors and administrators should contribute to the achievement of the corporate purpose with as little waste and misdirection of effort as possible.

**4** Complex terms and expensive technological innovations should be avoided.

The initiation of corporate management does not require the use of a new language. The most important requirement is definition:

- a of purpose
- b of roles
- c of targets
- d of procedures
- e of structures.

This enables every person to know what they are responsible for, what authority they have, where they can obtain the support services they need, and what they need to do to contribute to the management of the municipality.

Managers at the council and administrative levels make the decisions based upon the information available. They can use models and techniques to help them to consolidate and interpret information but they generally do not need expensive computer equipment for decision-making, and are probably unwise to use simulations and techniques they do not understand.

With those cautions in mind, the trend to a better co-ordinated and integrated management system can take place at several management levels and in several management areas at the same time. There are things which can be accomplished at the Provincial level to encourage municipalities to manage better. This does not mean doing things which some person at the Provincial level, with supposedly wide ranging vision, thinks are necessary, but rather it means providing incentives to the municipalities themselves to make the decisions and take the actions which are needed to resolve conflicts and provide services within the municipality. There are actions which can be taken by council, actions which can be taken by top administrators, actions which can be taken by administrative and data processing specialists and actions which can be taken by individual managers. Each will be discussed in turn.

## ASPECTS OF THE PROCESS

### 1 Consideration of Current Systems of Management

All municipalities have incorporated some of the processes of corporate management. Some of them, in fact, have many of the necessary structures, for example, an executive committee at the council level and/or a chief administrator and management team at the top administrative level. The fact that these structures exist does not mean that they are operating effectively. It does mean, however, that less extensive changes will be required during the implementation of corporate management.

Before the implementation process begins, it is recommended that the present municipal operation be studied in some detail. In doing this, the degree to which the corporate management requirements are being met can be examined so that misleading assumptions are not made.

It is extremely important, of course, to minimize changes. If a current structure seems to be integrating administrative efforts, e.g. a committee of department heads without a CAO, it is probably wise to leave it alone.

### 2 Action at the Provincial Level

The intention of this paper is to provide a framework for corporate management in municipal government and to identify a route which might lead to the development of an operation with more corporate characteristics. Why, then, suggest a step that is beyond the control of local authorities?

The involvement of the Province is felt to be necessary to provide an incentive for changes at the municipal council level. Councillors usually run for office because some local issue has ignited their interest (there are, of course, other personal reasons as well). They seldom have spent a great deal of time thinking about the role and purpose of local government and how that role and purpose might be better accomplished. Unless councillors do develop interests in that type of more general improvement in local government operation, however, real changes at the local level are very unlikely. The only source of motivation for a councillor, besides the inherent desire for improvement, which is certainly a strong force in a number of cases, is some form of incentive provided by a higher level of government, primarily the Province.

Some possibilities include:

#### a SIMPLE MODELS OF EFFECTIVE MUNICIPAL GOVERNMENT OPERATIONS

There is a need for relatively simple, straightforward models of effective municipal operations for municipalities of various sizes in various situations, containing an indication of how a municipality might develop the required management processes. For example, corporate management was described in some length at the beginning of this paper, but in reality it is a relatively simple concept requiring rather simple and straightforward processes which make practical sense.

Most councillors would like to work toward a more effective municipal operation. They often do not, however, attend educational workshops and briefing sessions at the local level because they are not really aware of the inadequacies of their own perspectives on local government or of the things which they might learn from such sessions.

By publicizing a relatively simple straightforward description of effective municipal operations for an appropriate cross-section of municipalities, the Province would provide active and interested councillors, the public and, perhaps most important, the press with a target and a basic incentive for change.

#### **b JOINT DEFINITION OF MUNICIPAL ROLES**

The Province could also help by working with municipalities to more clearly define municipal roles, responsibility and authority. These would almost certainly need to be flexible and dependent, to a degree, upon local needs and the maturity of the municipality's management system.

#### **c REQUEST FOR MUNICIPAL GOALS AND OBJECTIVES**

Highly related to the comments in 'b', the Province could ask for evidence that municipalities had developed municipal goals, definite targets, etc. In order to provide this evidence the municipality would need to develop at least the outward trappings of a more effective management system. If the request for evidence of an effective management operation were made public, the public and the press could bring pressure upon municipal councils to develop the necessary management system.

#### **d LONGER TERMS FOR COUNCIL**

While it is recognized that councillors have generally and understandably been negative to the idea of longer terms in office; longer terms, with staggered elections (e.g. half the councillors replaced every two years) would appear to have some significant advantages. Councillors would have longer term perspectives and, as indicated earlier, management improvement is a long term process.

#### **e EDUCATION FOR COUNCILLORS**

The Province is already providing educational workshops for councillors. Only the press and the public can provide a further stimulus for their attendance. The content of such workshops should be slanted toward modern management concepts, appropriate to the council level, plus some involvement of the participants in the discussion of municipal roles, etc.

#### **f FINANCIAL INCENTIVES FOR EFFECTIVE MANAGEMENT PROCESSES**

Finally, and perhaps most important in terms of basic motivation, the Province could provide financial incentives for the development of effective management processes at the municipal level. This does not mean extra finances, nor does it require Provincial control over municipal plans and expenditures. A certain amount of the funds which the Province supplies could be made contingent upon the development of more effective management processes as described here and in other

LGMP publications and upon evidence of municipal efforts to improve the knowledge and expertise of councillors and administrators.

### **3 Action by Council and Councillors**

#### **a AWARENESS OF THE ROLE AND PURPOSE OF LOCAL GOVERNMENT**

The most important contribution councillors can make is to become more aware of the purpose and role of local government and of the importance of their own contribution to local government effectiveness. This, as mentioned earlier, can be attained to a degree through educational workshops, but a council discussion on the subject, immediately following an election, can also make an important contribution. Essentially, each council, shortly after an election should debate this issue, sharing beliefs and perceptions and reaching a consensus where possible. If it appears that the municipality is constrained from playing the desired role, the Province can be approached for mutual discussions.

#### **b CLARIFICATION OF THE ROLES OF THE COUNCIL AND ADMINISTRATION AND THE ESTABLISHMENT OF CORPORATE GOALS AND OBJECTIVES**

When councillors have reached some workable consensus on the overall role of local government, they should then turn to a clarification of the respective roles of the council and administration. They need to consider ways in which the expertise of the administration can best be utilized by council and how the goals and objectives of the municipality can best be determined. There are a number of alternative methods whereby council and the administration may co-ordinate in the establishment of corporate goals and objectives. These will be outlined in some detail immediately after the remainder of this discussion.

Councils must make the political decisions as indicated in Part I and also must decide upon levels and types of service and priorities. The administration can provide useful information and must be responsible to council for carrying out service delivery and for providing the council with advice and feedback regarding the degree to which services are meeting public needs.

#### **c COMMUNICATION BETWEEN THE COUNCIL AND ADMINISTRATION**

Regardless of the methods chosen to decide upon corporate goals and objectives, council should obtain periodic briefings from the administration, preferably combined with joint 'issue identification' workshops to facilitate communication and to identify questions which need to be resolved. The effectiveness of the advisory role of the administration is dependent upon a rapport and aura of trust between council and administration. Trust, in turn, largely depends upon the mutual understanding by both councillors and administrators that their motivations are basically similar in that they both desire the development of effective and efficient municipal government.

Of course, council needs to play a top management role to ensure efficient and effective performance by the administration but control is far more effective when it

is task oriented and objective than when it consists of limitations and constraints upon administrative behaviour. Thus, councillors need to be aware of administrative objectives and measures of achievement, as well as the relative costs of alternative methods of achieving those objectives.

#### d OBTAINING MANAGEMENT INFORMATION

Councillors should spend some time, early in their term, deciding what information they need to help them to perform effectively in their decision-making role. Corporate planning decisions require information pertaining to population trends, industrial, commercial and residential trends, future transportation requirements, etc.<sup>1</sup> Senior administrators and, in particular, an effectively operating senior administrative team can contribute greatly to the information councils need.

Even though councils are representative bodies elected by the people in a municipality, councillors frequently have little real knowledge of public needs and desires. Thoughtful citizens and local government administrators and councillors can suggest various ways in which better information can be obtained in specific cases. Since local government in Ontario does not operate on a party system, election platforms are non-existent, or where they do exist, are personal platforms, and the individual cannot be held responsible for their enactment. Referenda do represent one way of bringing local government platforms to the people. Referenda, however, are costly and responses are usually limited to an inadequate cross-section of the population.

Another method of obtaining input from the people of the community has been through the evolution of various methods of citizen participation, which may be initiated by the local government or by relatively independent groups of citizens. Major goal setting projects have emerged, particularly in the United States, where the problem of citizen participation is complicated by the large number of politically appointed administrators in some jurisdictions.

The whole area of citizen participation is fraught with danger in terms of its inherent threat to the democratic process; for example, the citizens involved may not represent a true cross-section of the population, or the decisions which they make may not have been thoroughly considered in terms of their potential impact upon minorities. (Minorities in this context may only refer to citizens of a particular area or it may refer to those from a particular socio-economic or social group). One of the latest trends in the involvement of citizens has been the development of sector or local plans for land use in a specified area within a larger jurisdiction. A consistent problem in the whole area, in addition to the representative one already mentioned, has been the inability to ask citizens questions that will result in meaningful responses — that will outline a comprehensive set of alternatives in reasonable detail and yet ask the questions in a way which promotes

understanding and a simple response format. Some attempts to obtain citizen input to municipal goals and broad objectives are summarized in Appendix II.

#### e EXPECTATIONS OF CORPORATE RECOMMENDATIONS

Councils can indicate to administrators that they expect senior administrative teams to examine the broader needs of the municipality and to submit recommendations for projects or programs which involve several departments. If councils expect administrators to define goals and objectives for both departmental and inter-departmental programs, administrators will oblige.

Not only should councillors expect administrators to define the goals and objectives of public service programs, but they should expect similar definition of the goals and objectives of support departments and divisions such as legal and personnel. Whereas line managers in public service departments should be held directly responsible for the efficiency and effectiveness of their operation, councils need to have access to personnel and financial advice from the respective support departments. This type of advice can help councils to evaluate the efficiency and effectiveness of both service delivery and support operations.

In addition to clear statements of goals and objectives, councils should expect administrators to examine all administrative programs and to indicate priorities for those programs within departments. Priority decisions for all municipal programs can then be made by the council following recommendations from an executive committee.

#### f ESTABLISHMENT OF AN EXECUTIVE COMMITTEE

The LGMP staff feel relatively ambivalent about functional committees of council. Such committees do enable councillors to become more knowledgeable about administrators and administration, however, they also create dysfunctional divisiveness in council (divisiveness based on committee loyalties). The staff do feel very strongly, however, about the need for an executive committee of council which can act in the capacity of a review body, particularly in larger municipalities. This executive committee can review administrative recommendations and can also generate its own recommendations for corporate initiatives. Such a committee should not become involved in administrative detail but should consider the political implications of various administrative recommendations and also the political decision needs of the municipality. A set of operating procedures and goals should be established for such a committee so it can effectively perform an investigative and focussing function for council.

It is also the LGMP staff's strong feeling that a chief administrator should be appointed in larger municipalities with overall responsibility to council for the administration of service delivery programs. He should act as a co-ordinator for the administration, emphasizing mutual support services and the corporate needs of the municipality (joint service delivery programs and the development of common administrative systems). The only feasible alternative to a chief administrative

1. The LGMP publication *Improving Management Performance: The Role of Management Information*, suggests methods of examining information needs.

officer (CAO) for corporate co-ordinative purposes, appears to lie in administrative integration, through joint meetings, between an executive committee of council and a committee of department heads, preferably chaired by the mayor. A committee of this type might be able to carry out a planning role, but would not have the ongoing directive capability of a CAO at the administrative level.

#### **g EXPECTATION OF CORPORATE ADMINISTRATIVE SYSTEMS**

Councils should also expect administrators to work toward the development of common administrative systems such as:

- i filing and coding systems;
- ii data processing and storage systems;
- iii purchasing systems — with flexibility;
- iv courier and mail service;
- v report formats and reporting procedures;
- vi simple approval procedures.

Not only do such common systems facilitate rapid action, communication and co-ordination efforts but they also should lead to major economies over a period of time.

### **4 Techniques for Council/Administrative Co-ordination in the Determination of Corporate Direction**

There are a number of ways in which councillors and administrators can establish directions for municipal efforts. Some of these involve the definition of corporate goals and objectives while others take the form of revised administrative submissions to council and budgets which focus upon objectives and broader issues or programs. All of these methods will contribute to a corporate approach to management to a greater or lesser degree, and the most acceptable of the following approaches for any particular municipality will depend upon a great number of situational factors.

#### **a CORPORATE MANAGEMENT THROUGH ISSUES**

The issue approach is essentially a process whereby high priority problem solving and innovative objectives are established and the administration is geared to produce in those areas. Over time, as objectives are re-established in previous issue areas and new issues are determined, a composite set of corporate goals and objectives should gradually evolve. The issue approach to corporate management is a segmented rather than a wholistic approach which requires considerably fewer resources, less dramatic changes in organizational structure and appears to be well suited to the needs of Canadian municipalities. The issue approach does not replace the desirability of the establishment of composite corporate plans in the form of goals and objectives but it does offer a solution whereby important problems at the corporate level can be handled and new initiatives for improved services and better administration can be introduced.

Using the issue approach at the council level, councillors would first be asked what they saw as primary

needs with regard to the improvement of the quality of life within the municipality. These needs could be categorized into general problem or issue areas and some indication or priority could be assumed from the frequency with which they were mentioned.

Administrators could take each issue and determine the constraints (legal, financial and political) upon the municipal ability to solve the problem or to improve the quality of life in that area. Some issues might be of a type that could be dealt with entirely within the jurisdiction of the municipality. Others might require financial support from higher levels of government or outside expertise, while still others might require joint solutions with other elected bodies or other local governments. Finally, of course, there would be issues which fall almost entirely within the jurisdiction of higher levels of government and the municipal council could only exert influence on Provincial or Federal programs to improve the quality of life in those areas.

After the above categorization and determination of constraints upon municipal action, the councillors would be asked to indicate the priority they placed upon the order of resolution of these issues. Given the priorities, administrators could then determine alternatives for dealing with the issues and approximate costs in terms of administrative time, expertise and financial resources.

Council could then select the most suitable alternatives and give their approval to proceed with the resolution of a certain number of the high priority issues. Given that approval, the senior management or staff team could allot administrative responsibility to a department head, a program head, or a task group and could determine which departments should contribute, and in what way, to the effort.

Issues at the council level might include such things as the development of industrial parks (or in a region, the development of regional industrial policy and co-ordination), improvement in the provision of emergency services, or in fact any issue which affects the quality of life, the development of the municipality, or municipal services to the people.

At the administration level, the issue approach would merely involve the identification of high priority problems by the senior staff team and the establishment of high priority areas where initiatives for improvements in administration were necessary.

Once again constraints upon action could be examined, alternatives for resolution of the issue determined and relative costs in terms of manpower and fiscal resources required could be estimated. A major factor, of course, would be the potential degree of increase in administrative effectiveness as a result of the future resolution of the issue (this investigation could usually be assigned to a second level administrator with the appropriate expertise).

Once the senior management team had the above information they could determine which of the issues they would attempt to resolve and in what order. Responsibility for that resolution could, once again, be delegated to a department head, or a task group or project team.

Issues at the administrative level might include the development of improved systematic use of information in the municipality, better integration of planning, or improved user department input into the development of personnel or other support functions.

The budgetary process, of course, is a major issue in most municipalities. By monitoring the process, a number of sub issues could readily be established and methods of improving the process evolved. As a result, both administrative and council time might be saved, the budget might be more accurate and effective, and the mode of presentation more meaningful, both to administrators and council members.<sup>2</sup>

While the issue approach does not resolve the eventual need for comprehensive corporate goals and objectives, it does focus action upon important areas in the meantime and the more important needs of the municipality are dealt with reasonably quickly.

In summary, one of the most suitable approaches to corporate management, appears to be the identification of major problems in both the political and service management areas. These can then be categorized and given priorities and the scarce administrative resources can be directed to their resolution while more comprehensive goals and objectives are being determined.

#### **b COUNCILS DETERMINE GOALS AND OBJECTIVES FOR THE MUNICIPALITY**

Council, or a committee of council, may go through the entire process of determining both goals and objectives for the municipality. This process may or may not include direct input from the public (see Appendix II on broad goal setting at the council level).

The LGMP experience has indicated that this is not a practical alternative. It is too complex and time consuming for councils themselves to carry out the entire goal and objective setting process. Council is designed to fulfill a political role and councillors would encounter frustrating internal political conflicts during the debate necessary to establish both direction and priorities. On the other hand, councils must necessarily be involved in reviewing, revising and in considering the political implications of all municipal goals, objectives, and programs, with the exception of those at the operational administrative level. They are able to do this, however, as long as a focus is provided in the form of recommendations, by either a senior administrative team or an executive committee of council, or both.

#### **c ADMINISTRATOR'S PERCEPTIONS OF MUNICIPAL GOALS AND OBJECTIVES AND COUNCIL FEEDBACK AND REVISION**

Administrators working as a team may determine a comprehensive set of goals and objectives and submit them to council for consideration, revision and approval. Joint council/administrative workshops can be

scheduled for discussions of a desirable direction for the municipality to take.

Even without a formal set of municipal goals and broad objectives as a reference, each department head designs his departmental program based upon his perception of the desired overall direction and specific targets of the municipality in his area of responsibility. The official plan, special need surveys, and previous council and administrative decisions form a base for these perceptions and these are incorporated into departmental plans. While administrators do not normally organize their perceptions of municipal directions in goal and objective form, they can usually do so upon request, because such perceptions really form the basis for departmental priorities and budgets. The main advantage in making municipal goals and objectives more visible, lies in the increased awareness of the effect of new policies and decisions upon the direction the municipality has been following, the potential costs of changes in direction, and the more explicit guidance for administrators in developing their departmental programs. Essentially a municipality that is establishing departmental and corporate goals and objectives, and is setting clear priorities among programs, is carrying out the fundamental requirements of zero based budgeting.

To form a tentative set of municipal goals and objectives with a minimum of time and effort, the following steps could be followed.

- i Each department head could describe the municipal goals and broad objectives which, he feels encompass his area of responsibility and upon which his departmental programs and goals and objectives are based.
- ii If all department heads participated in the above activity the goals and broad objectives thus defined for the municipality could be considered by the committee of department heads. Overlaps and conflicts could be removed, and any additional goals and objectives deemed advisable for the municipality, possibly in broader program areas, could be added.
- iii The perceived goals and objectives thus determined could be presented first to an executive committee and then to the council, with the questions:
  - i Are our assumptions regarding the desired goals and objectives for the municipality correct or should they be revised?
  - ii What different or additional goals and broad objectives should be considered in designing our departmental programs?
- iv A joint council/administration workshop could then be scheduled to refine and complete a flexible, somewhat general, but useful set of goals and objectives for the municipality.

#### **d CLARIFICATION OF CORPORATE POLICY**

Administrators may decide upon areas where policies and direction are required and go to council with specific requests relating to those areas. Councils can discuss such requests and attempt to provide the neces-

2 Paper 13 in the LGMP publication *The LGMP Experience: Guidelines for Organizational Change in Local Government* discusses the budget process in one municipality and makes suggestions for change.

sary policy or, as the LGMP experience confirmed, they can arrange joint council/administration workshops to discuss a number of such areas at the same time.

Administrators frequently complain that they are unable to plan the work of their departments or to set priorities, because they are unsure of council's feelings about priorities and thus are doubtful regarding the most appropriate allocation of departmental funds and frequently feel they need more discussion in regard to long-range plans.

For example, an official plan may designate a goal for the municipality to allocate and develop a certain amount of park land based upon population. The parks director also provides citizens with recreation programs which often involve expensive facilities. In a case where funds are constrained (as they usually are to some degree), which of these programs (developing land or providing programs in present facilities) should be given priority?

The administrators concerned with industrial and commercial development need continuous advice regarding the desired characteristics of the municipality, the type of development to encourage or discourage, and whether they should put their available funds into the development of new industrial land or into attracting commerce and industry to lands already available.

Although administrators do characteristically make recommendations for specific programs, and obtain policy in that way, more comprehensive policy issues, such as those mentioned above, are frequently ignored or, at least, are not discussed in a thorough manner. Administrative areas of responsibility necessarily overlap and new programs may require input from several administrators. Frequently, there is no mechanism for looking at the overall implications of programs in such areas, and policies which facilitate both co-operation and general effectiveness are lacking.

Every administrator would probably prefer to have more explicit policy in at least some areas, even though he may have learned to live fairly comfortably with the existing system. As administrators set increasingly comprehensive objectives for their own areas of operation, policy needs may become more apparent. Thus it is preferable that administrators have fairly explicit goals and objectives for their own areas of operation before initiating the procedure for obtaining policy clarification outlined here.

Many areas of support service require improved administrative policies, procedures and clarification of responsibility. These can best be resolved by a senior administrative team or a committee of department heads. Council may only need to be involved when disagreements occur between administrators or where policies required are so general that they might influence overall administrative operation. Councils do need to be involved, however, in appraising administrative behaviour and in rewarding effective and efficient operations.<sup>3</sup>

#### Type of Policy Issues Selected

If council/administrative workshops are to be

scheduled to clarify policy, the issues selected for council consideration should satisfy a number of criteria, particularly at the outset of this process.

Issues chosen should be those:

- i which will interest councillors (fall within their political sphere, help them to do their jobs, are seen as important to the community, etc.);
- ii which are debatable and present some alternatives;
- iii which need administrative input in terms of alternatives, relative costs and benefits, etc.;
- iv which have the potential for solution;
- v which are specific enough so they can be clearly defined; and
- vi which are not just hidden requests for more resources.

After either administrators or councillors have concluded that there may be a number of areas where policy and/or aims are hazy, the procedure for obtaining policy clarification involves several steps.

- i Department heads identify the specific aspects of the operation which require council guidance. (If department heads have a set of goals and objectives for their departments, areas in which they are in need of clearer policy are much easier to identify.)
- ii If a number of departments are involved with an issue area, the committee of department heads can discuss those areas where requests for policy clarification have emerged or where additional needs are apparent.

Joint requests for policy clarification might emerge in some cases, e.g. in support service areas, which can actually be resolved by the committee of department heads.

- iii Areas where council policy is required can then be presented and explained to council. To obtain maximum input to the design of new policies, a council/administration workshop or workshops can be scheduled to discuss and originate the required policies. In some cases, task groups, or individual administrators, might be assigned responsibility for the further investigation of details or alternatives. Either an internal or preferably an external consultant or change agent can serve as a facilitator at joint council/administration workshops.

#### e JOINT COUNCIL/ADMINISTRATION PROBLEM SOLVING

Administrators and councillors may identify management problem areas and hold joint sessions to find solutions to the problems identified and to improve communication and understanding between elected and appointed managers.

One of the major problem areas in local government

3. This is a major problem area in local government, as indicated earlier in this paper.

operation is the paucity of communication and understanding which exists between councillors and administrators. A relatively easy way to develop a corporate management capacity which should serve to improve council/administration communication involves a problem solving approach. In preparation for problem solving, both administrators and councillors can identify major problems they perceive in the effective operation of the city. These might include service delivery problems, long-range planning inadequacies, jurisdictional problems, management problems, inadequate communication or resource problems (financial or human).

When these problems have been identified and listed, administrators and councillors can be asked to rank them in order of priority. Following the ranking process, which frequently results in additional information relevant to problem areas, joint council/administration workshops would be scheduled to deal with one or more of the most pressing problems identified. The task of each workshop would include:

- i a clear definition of the problem or problems;
- ii identification of probable causes;
- iii identification of alternatives for solution; and
- iv the setting up of an action plan which might be delegated to a particular administrator, the committee of department heads, or which might involve the setting up of a task group to work toward possible solutions.

A consultant or internal trainer could manage the identification, classification and prioritizing of problems, and could act as a facilitator in workshops to improve the effectiveness of problem solving and to ensure that definite action plans emerged.

It is critical, of course, that problems debated in joint workshops are major problems which are of current interest to all participants and for which there is some hope of clarification and eventual solution. To set the stage for such workshops it is preferable to interview each councillor and senior administrator who will be participating, after a questionnaire explaining the plan of action has been circulated. During that interview the interviewee's perception regarding major problem areas within the city government can be examined, explicated and prioritized.

All major problem areas mentioned can be identified to all prospective participants with a cursory description of the boundaries of the problem. The councillors and administrators who would be participating in a major workshop could allocate priorities to the problems and short introductory workshops could be arranged to discuss the order of priority.

#### **f ADMINISTRATIVE GOAL AND OBJECTIVE SETTING**

As administrators decide upon operational goals and objectives, and go to the council with requests for approval of recommendations stated in goal and objective terms, e.g. in the operating and capital budget, the council is unavoidably involved in the approval of certain goals and objectives for municipal services. The

more that broader issues and alternatives and priorities are included in the submissions to council, the more council will be playing a policy setting and directional role. Through the development of a top administrative team, corporate needs can be considered at the administrative level. In addition to the broader scope of issues considered, such a team can work on the development of more effective methods of presenting alternatives to council. An exploration of alternatives and the indication of priorities by the administration will automatically aid council in making better decisions, particularly where there is an effective senior administrative team to supply council with needed information.

#### **THE SELECTION OF AN APPROACH TO COUNCIL/ADMINISTRATIVE COORDINATION**

Eventually, the LGMP staff feel that all municipalities should aim at the establishment of corporate goals and broad objectives. In the interim, however, it may be that a 'problem identification' approach may be more suitable, or an 'issue' approach may offer a graduated method of developing corporate goals and objectives. Municipal councillors and administrators should select the approach they feel is most suitable from the ones described.

#### **5 Action at the Top Administrative levels**

The initiation of much of the action described at the council level will and should come from senior administrators. In the LGMP experiment, in fact, senior administrators were the initiators and experimenters and councils displayed only tentative interest at first. It became increasingly evident during the LGMP, however, that there was a need for councils to become involved in any management improvement project and the establishment of anything remotely resembling corporate management is dependent upon both administrators and councillors.

There are some things that administrators can do without council involvement and support, such as the establishment of a committee of department heads or a senior management team. The top administrators in such a team can co-ordinate in:

- a identifying problems that need to be dealt with by the municipal corporation and suggesting potential solutions to those problems;
- b identifying management weaknesses in mutual support services and areas where new types of service, possibly involving more than one department are required;
- c working toward the development and improvement of common and co-ordinated management systems;
- d the development of performance reward systems, performance appraisal systems and measurement, and program evaluation systems which will help to encourage improved administrative performance;
- e developing management development programs through assignment of responsibility to middle managers as project heads, etc., and developing middle management task groups to investigate and originate solutions for management problems.

It would be both convenient and efficient if a senior administrative committee or team could carry out the processes described above but it has been the LGMP experience that there are two additional requirements before a team can successfully deal with corporate problems. The first of these is an administrative co-ordinator or chief administrative officer and the second is council's support and encouragement of corporate management initiatives by the administration (which has already been discussed).

#### THE ROLE OF A CHIEF ADMINISTRATIVE OFFICER

For a municipality that does not already have a CAO, the hiring process is very important. An administrative co-ordinator is regarded as a necessity for truly effective corporate management in a large municipality, and yet an ineffective co-ordinator can actually alienate department heads and possibly councillors, thereby making the existing situation worse.

The LGMP experience has indicated the need for a CAO who has the ability to encourage co-ordination, on the one hand, but who is also able to take responsibility for all administrative advice and reports to council, and for the effectiveness of service delivery, on the other. Thus the council needs to find someone who has a record which indicates an ability to work with both subordinates and peers in a teamwork setting, who is able to delegate authority, who is able to allocate responsibility, expecting department heads to be responsible to him while he, in turn, is responsible to council for all administrative functions. Additional desirable qualities include the ability to communicate effectively with council and the strength to defend his administrative staff when he feels they are being unjustly criticized.

The CAO is advised to develop a senior administrative team which should carry out the management processes identified earlier. To optimize the input of all department heads to that team he needs to be open to suggestions and, while limiting the agenda discussed by that team to corporate issues, he must be prepared to discuss those issues that his top administrators consider to be important. He also needs to evaluate and reward his top administrators, at least partially on the basis of their contributions to the effectiveness of the senior administrative team.

The CAO should let his department heads know what his expectations are with regard to corporate input to the senior administrative team and council. The LGMP experience indicated that department heads were better able to report directly to council on departmental matters. They would, however, clear any contentious issues with the CAO and would discuss any elements of their recommendations which might impact upon other department heads with the senior administrative team prior to the presentation to council. Municipal services conflicts or disagreements should be resolved by that team if possible.

The CAO would bear responsibility for administrative recommendations to council in all cases, except in the situation where he dissented from a department head's recommendations but the department head felt strongly that it should be presented to council nevertheless. In

that case council would need to be aware of the dissent, but otherwise the CAO himself would be responsible for corporate recommendations to council.

Where the CAO and the team saw the need for special corporate projects or studies these responsibilities would be assigned to middle managers, either as individuals or in task groups, depending upon the nature of the assignment. In this way corporate management of administrative efforts would be the responsibility of the CAO and the senior management team. Middle managers would obtain developmental training and would be co-ordinating and co-operating with other middle managers in the process.

By involving middle and junior managers in the development of improved support services, and common management systems, e.g. filing systems, information systems, storage systems, communication systems, etc. The CAO would be developing a corporate perspective throughout the administration and also would be establishing the corporate machinery necessary to make corporate management work.

#### THE ROLE OF THE COMMITTEE OF DEPARTMENT HEADS

The role of a committee of department heads (without a CAO) is similar to that described for a senior management team, above. Where there is no CAO a problem arises during the discussion of support services, when there is a disagreement upon the adequacy of the service between a user and a supplier. Another problem arises in regard to the incentive for spending time on the investigation and discussion of corporate issues, when every department head is busy with his own concerns. A third difficulty arises in the establishment of task groups and, later, in the acceptance of task group recommendations which may seem to favor one department over another. If the mayor or a councillor fills the co-ordinative and conflict resolving role, personal political and service delivery priorities may become confused. Even where the committee of department heads meets periodically with an executive committee of council, the reaction to administrative needs will be slow, councillors will find themselves assuming a large part of administrative responsibility and political and service delivery priorities may still be confounded. For all of these reasons, a CAO is considered almost crucial to the success of corporate management at the administrative level.

Both senior administrative teams and committees of department heads require a firm role definition and definite goals and objectives. The establishment of goals and objectives for a senior management team is discussed in some detail in another LGMP publication.<sup>4</sup>

#### OTHER PROCESSES CONTRIBUTING TO CORPORATE MANAGEMENT WITHIN THE ADMINISTRATION

There are a number of other actions that can be taken within the administration to increase corporate management effectiveness. These include the following.

##### a A management training and development program

<sup>4</sup> *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

for all municipal administrators, particularly with regard to the role of a manager.

In particular the LGMP staff found that it was very important that managers at all levels recognized and established firm co-ordinative and co-operative objectives and that they worked with other relevant managers to clarify and delineate responsibility and authority. Delegation of authority and assignment of responsibility were major problem areas. A recognition of personnel development roles and the establishment of objectives in that area was also considered to be important.

**b** The development of goals and objectives at each management level.

An important part of any management system, corporate management included, is the linking of the objectives of individual managers to those of the organizational sub-unit and the linking of sub-unit objectives with those of the corporation. The objectives of sub-units and managers within those sub-units should be co-ordinated but should not overlap. In fact, the determination of each manager's objectives by a team consisting of him and his immediate sub-staff is one way to ensure the vertical continuity of objectives and to eliminate the danger of horizontal overlap.

Joint reviews of performance by these same teams will ensure continuity and will help to identify problems which may be hampering unit effectiveness. Detailed discussions of periodic and ongoing management reviews and of goal and objective setting in local government can be found in a previous LGMP publication.<sup>5</sup>

**c** The need for performance measurement and program evaluation.

Closely associated with the establishment of goals and objectives is the establishment of measures of individual performance and program results. Managers should be involved in the establishment of such measures and need to learn to use them as tools in management improvement. Effective corporate measurement is dependent upon feedback that can indicate whether or not:

- i the purpose of the corporation or any element of the corporation has changed;
- ii the objectives of the corporation and its sub-units have been achieved;
- iii the goals and objectives of the corporation and its sub-units are satisfactory;
- iv programs have been successful and should be retained;
- v individual managers are performing effectively.

Performance reviews should always include problem identification and should also involve re-definition of purpose and re-establishment of goals and objectives, where required. They should result in developmental feedback on strengths and weaknesses for all managers within the corporation.

**d** The need for management appraisals.

Management appraisals are part of a review process and can involve considerations of potential as well as performance. They perform at least four roles in a corporate system by indicating:

- i the strengths and weaknesses of managers, thus providing base information for management development.
- ii who is available for promotion or transfer.
- iii the type of training needs which exist in the organization.
- iv the most appropriate career paths for managers in the system, which would optimize both personal satisfaction and organizational benefits.

Appraisal systems must be carefully designed and need to be acceptable to managers. They should identify management talent but they can also contribute by providing developmental feedback, as indicated above, and by providing some motivation to improve performance.

## 6 Developing an Adaptive Capability

As populations grow or wane and as technology and social values and needs change, the purpose and roles of local government also change to meet the needs of citizens. These changes in roles and purpose require subsequent changes in goals, long-term objectives, government structures and procedures. To meet this challenge local governments need an adaptive capability.

A number of management processes contribute to the adaptive capability of a municipal organization. While this paper will not go into great detail on the development of such processes, the processes themselves will be identified because they constitute an important aspect of local government management. They include:

**a** The encouragement of innovative management behaviour at both the corporate and individual levels.

Where new methods prove to be effective they can help a municipality to adjust to environmental changes and to continue to serve the public.

**b** The availability of internal consultants or facilitators.

Internal facilitators can provide managers with feedback and support that helps them to experiment with new techniques. Innovative managers, in particular, need this type of support. Internal facilitators can also recognize techniques which have been successfully adopted by one manager and they can help other managers to try the technique.

**c** Managerial task forces or study groups.

These not only help in initiating corporate programs and in management development but they also promote discussion of possible improvements and the search for new methods and techniques.

**d** Employee and lower-level management involvement in problem identification.

<sup>5</sup> *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

The employees and first-level managers who are responsible for service delivery are most likely to notice changes in public attitudes and to recognize problems on the job. Including them in problem identification is not only rewarding for them but it also can help municipal government to adapt to changing requirements for service.

e Ongoing communication with other municipalities and the public.

Other municipalities may try new techniques or encounter problems similar to the ones which are occurring in one's own municipality. Professional contacts and open communication between municipalities can aid adaptive capability.

While public action groups are often regarded as a nuisance by both councillors and administrators, the attitudes of other members of the public to such groups can be very revealing with regard to changes in values or general attitudes. Both administrators and councillors need to remain in touch with the public.

f Reviews of purpose, goals, etc.

The periodic review of the purpose, roles and goals of an organization or sub-unit should reveal changes which might require new structures and procedures for management. Once these are identified, the municipality can adapt by making the necessary changes.

g The search for alternatives.

Whenever a proposal or recommendation is considered there should also be a search for alternatives. It may be that an alternative program might better meet the needs of citizens. Administrators should periodically review all programs, looking for potential alternatives.

h Communication.

Open communication between council and administrators and within council and administration is a great aid in adapting to change. There is a wealth of information in the minds of municipal personnel and obtaining and using this information effectively can contribute greatly to adaptive potential. Effective communication such as that involved in problem identification and joint council/administrative workshops has already been discussed.

## SUMMARY AND CONCLUSIONS

Corporate management is necessary for effective management in local government. The introduction of corporate management requires an extensive process involving all levels of management and all employees. People at each level require both motivation and clarification of direction if they are to participate.

It appears that the extrinsic motivation for councillors must come from the Province, the press and the public and that the purpose and roles of the municipality need to be debated by council and then resolved in conjunction with the Province.

Councils, in turn, can provide both motivation and direction for administrators. Joint council/administrative problem identification and problem solving workshops aid in communication and provide administrators with high priority targets for management improvement.

There is a need for an administrative co-ordinator who can develop an effective team at the top administrative level. Administrative department heads have a good deal to contribute to such a team and can also encourage corporate input from sub-managers.

A number of back-up management processes are required, including goal and objective setting, problem identification at all levels, performance measures, performance appraisals and both team and one-to-one management reviews. All of these are the characteristics of effective management in any setting and they can be implemented by the current staff in most municipalities.

Finally, effective corporate management requires adaptation to change. Some processes which contribute to adaptive potential are identified but are not discussed in great detail because many have been described in other parts of this paper and in other LGMP publications.



# Appendices



## **Appendix I**

### **Corporate Planning Mechanisms in the British Context**

Corporate planning is a term which originated in the private sector but which has become increasingly important for local governments in particular. It was specifically recommended by a comprehensive report for local authorities in Britain, and has been developed there over the last decade.

Like many other terms which are in the process of being developed and coming into wide-spread use, 'corporate planning' has many different meanings, depending on the background, approach and experience of the person using it. Generally, however, corporate planning can be considered to mean the total process of planning, program implementation and review in a 'corporate' or organization-wide context. It concentrates on drawing together all the diverse functions of the local authority and co-ordinating them so that both their goals and activities will complement one another, and will be consistent with policies established for the future direction of the municipality in areas under council's control. Thus the planning process involves both the council and administration (without excluding the public), the one establishing explicit middle and long-range policy, and the other developing co-ordinated plans as a vehicle for implementing those policies and working toward the stated goals of the municipality.

For the purposes of local government then, corporate planning can be defined as an ongoing process of :

- 1 analysis of all the social and economic factors affecting a community, its needs and resources;
- 2 the use of that analysis to make explicit long and short-term policy, setting goals and objectives for the municipality's own activities and for influencing other related organizations and levels of government. (This part of the process includes the resolution of conflicting interests within the community and the establishment of priorities among different goals. It is probably the most important and most difficult task faced by municipal councils because it provides a base for all other council activities);
- 3 the translation of policy into strategies and programs in order to achieve community goals with the best possible use of resources. Goals and objectives are set not only for the delivery of services but also for activities which require interaction with other related organizations and levels of government. (This and the additional part of the process are sometimes referred to as corporate management); and
- 4 the regular review of how effectively and efficiently the municipality is achieving its objectives at all

levels, the re-evaluation of those goals and objectives and the review of policy and priorities.

The experiences with corporate planning in Britain are well documented by the cities themselves, and by other institutions and organizations, including especially the University of Birmingham's Institute of Local Government. The details of development vary according to city size, organizational tradition and other factors, and can be obtained by contacting individual cities.

British municipalities have been working on developing corporate planning using various different strategies which can be roughly divided according to their use of:

- 1 management and planning techniques and skills; and
- 2 structural change.

The process of corporate planning requires a very long period of development and it is unlikely that any local authority in Britain has yet fully implemented a system of corporate planning and management. The different strategies will be outlined here, however, and their strengths and weaknesses reviewed.

#### **MANAGEMENT AND PLANNING TECHNIQUES AND SKILLS**

As in Ontario, very few local officials in Britain are trained in the kind of planning and management skills which have become necessary for them to run their organizations effectively. One main strategy adopted to help them develop these skills and put them to work in a management framework similar to the one described in Part I of this paper was to introduce various management 'systems'.

The development of appropriate management skills has been a long and sometimes slow process. British authorities are at various stages of development, and their choice of strategies to develop corporate planning expertise reflects the circumstances of the individual authority. Very few, however, are attempting radical overnight changes, but are working instead towards the gradual development of the necessary skills.

Coventry, for example, is still developing its corporate planning expertise, after more than a decade of working toward full implementation of corporate planning. R.K.Hender, Coventry's Chief Executive, stresses the evolutionary nature of corporate management.

Coventry's experience with corporate planning has been based on a long tradition of administrative innovation. The unit originally devoted to the development of improved management techniques has since been absorbed by corporate planning.

The relationship of such techniques to corporate planning is summarized by Hender's statement that corporate management puts management techniques in their proper perspective. In the LGMP experience, however, it seemed that the development of some basic management expertise was fundamental to the successful implementation of corporate management. While this does not contradict Hender it does indicate that a knowledge of basic management needs to be emphasized in company with the development of corporate approaches.

### Supportive Management Techniques

In this section we will examine some of the management techniques that have been adopted in Britain to introduce or support corporate planning. The local authorities have recognized that none of them, alone, constitutes corporate management, but the contribution that such techniques can make was nevertheless seen as valuable to a comprehensive approach to planning.

#### a MANAGEMENT BY OBJECTIVES

Some authorities have been using MBO to develop expertise in setting goals and objectives, a skill which is vital to corporate planning. The Greater London Council, for example, introduced MBO several years ago and has served as a model for other cities through extensive documentation of its experiences. The purchasing department now has a fully operating MBO system, although other parts of the city seem to have reduced their commitment to such a program. In Somerset, on the other hand, MBO was implemented in one area only, education, before any attempt was made at large scale strategic planning.

Although not all authorities have explicitly embraced Management By Objectives by that name, most are engaged in the early stages of such a process. These authorities recognize the need for a clearly stated direction for services and are actively encouraging the setting of meaningful goals and objectives, even where, as in Essex, corporate planning is in its earliest stages. In its broadest perspective MBO can be seen as incorporating corporate planning, however, few if any MBO systems have been developed to that extent in practice and aspects of MBO have usually been incorporated as part of the corporate planning process.

#### b PROGRAM BUDGETING

Program budgeting has been an important part of the development of corporate planning in Britain. The early U.S. experiences with PPBS in local government (specifically the 5-5-5 project)<sup>1</sup> were followed closely in Britain, where an attempt has been made to implement the valuable aspects of PPB while avoiding some of the problems from which the American efforts suffered. Program budgeting has provided a framework for many corporate planning efforts. It has frequently been chosen as a lead into corporate planning for two reasons.

1. Mushkin, Selma J., 'PPB in Cities,' *Public Administration Review*, Vol. 29, No. 2, March/April, 1969, pp. 167-178.

2. Stewart, J.D., *Management in Local Government: A Viewpoint*. London: Charles Knight Publishing, 1971.

First, because financial pressures highlight the importance of effective resource allocation in the budget procedure, the financial area has been seen as the most sensible place to begin a process of corporate planning. The authorities who are using PPB in this way, however, stress that their approach is much more gradual than the American approach tended to be. Grimsby, for example, has not felt that a full-scale program budgeting system would be appropriate to its needs. The chief executive officer there expresses reservations about PPBS because of its vulnerability to financial set-backs and changes in political control, as well as having some doubts about its relevance to small municipalities.

The second reason for using program budgeting to help in the development of corporate planning lies in the similarity between the two processes. Although corporate planning is broader and more comprehensive than program budgeting, which can be seen primarily as a budgeting tool, both are based on similar aims and processes. Program budgeting is based on an integrated approach to resource allocation, and requires skills in long-range program planning and in specifying objectives for city programs. It follows that a program budgeting system could be set up as one of the first steps towards evolving the more comprehensive concept and practice of corporate planning.

The emphasis of most authorities is on program budgeting as a management system, rather than as an exclusively financial tool. Planning and identification of objectives are seen as among the most important aspects of program budgeting and there seems to be some awareness that program budgeting can provide a base for a corporate planning process.

#### c LAND PLANNING

Land use planning in Britain, as in Canada, is one of the most important tasks of local government. The need to plan ahead for a city's physical growth has already been identified as one of the forces leading to development of corporate planning. British local government has been very sensitive to this need and has, accordingly, made strategic plans for land use an important part of its corporate planning process.

Structure plans and local plans are both required by the 1971 Town and Country Planning Act. The local authorities must specify their policy and plans for land use in the Structure Plan with regard to national and local economic factors and other matters specified by the central government. The local plans detail the more general local proposals of the Structure Plan. They must be consistent with it, and are used for the control and implementation of planning policies. In this way, land use planning has been broadened and has become a part of strategic planning for an area as a whole, taking social, economic and other factors into account. This process naturally influences the strategic choice of goals and objectives for the city organization. Coventry is one British city where the corporate planning cycle is tied strongly to this land planning process, and relies less heavily on program planning as the framework for corporate planning.

Although as Stewart<sup>2</sup> points out, structure planning and

corporate planning were initially parallel, through separate developments their relationships to one another have become an important issue in many authorities. Like other decision making and planning processes discussed above, however, land use planning can be seen as being one aspect of corporate planning fitting into a comprehensive whole. In both, clear expression of aims, policies and proposals is vital, as is a careful analysis of alternative strategies, and the choice of a plan which best suits the direction of the city as a whole.

#### d PERFORMANCE MEASUREMENT

While service delivery performance measurement, in terms of both efficiency and effectiveness, has been a matter of some concern to administrators in cities in Britain and elsewhere, it has assumed greater significance with the development of systematic corporate planning. To determine how well corporate objectives are being accomplished, better methods of measurement are needed. For that reason, many authorities are concentrating to some extent on developing indicators of their service performance.

Gloucestershire for example, as part of a research study in corporate planning, examined potential output measures. Various departments contributed notes on what measures were needed, and how they might be developed, to match service objectives. The Institute of Municipal Treasurers and Accountants has also devoted a considerable amount of time and talent to developing meaningful measures of local government performance. In spite of the difficulties inherent in developing such measures, many authorities in Britain recognize the role that measurement can play as an essential part of corporate planning. In this context, measurement is perceived as part of a system of effective management, whereas in North America the tendency has been to develop measures of performance as controls in isolation from the remainder of the management process.

The LGMP perspective strongly supports the incorporation of measurement processes with other management processes in a systematic way.<sup>3</sup>

### STRUCTURAL CHANGE

Another method of introducing corporate planning or, in some cases, another aspect of the introduction of corporate planning, involves the revision of the internal structure of an authority to facilitate a corporate approach to administration. Some commission reports, in particular the *Bains Report*<sup>4</sup> (which probably had the greatest impact), were specifically concerned with structural organization and recommended various changes to overcome a tradition of departmentalization in local government. The *Hickey Report*<sup>5</sup> made similar recommendations for municipalities in Ontario.

Restructuring municipal administration along program, as opposed to departmental, lines has sometimes been suggested, and has occasionally been implemented. Advocates of such changes sometimes fail to recognize the original functional or, essentially, program basis for the establishment of departmental structure in the first place. In practice, most local authorities are introducing changes in structure gradually,

superimposing new lines of communication on the older, increasingly rigid departmental lines. Some authorities (such as Grimsby) initially limit the scope of implementation of new structures to specific problem areas. These are approached in program terms to enable officers to develop experience in handling problems from a corporate perspective.

Where an authority has chosen to implement corporate planning to some extent through the whole organization, two distinct strategies can be seen. These have been labelled by J.D.Stewart<sup>6</sup> (of the University of Birmingham's Ingolov) as;

- a a monocratic form of organization, and
- b a matrix form of organization.

One or the other has generally been chosen in some form, according to the city's needs. Both are described briefly below.

#### a Monocratic Structure

This approach to developing a structure for corporate planning involves the least organizational upheaval. Traditional departmental lines are retained, as are traditional lines of authority and accountability. Hull is one authority which has adopted this approach and it relies on a hierarchy of program committees for co-ordination. Responsibility for administrative planning is centralized in a chief executive officer who also provides information to council.

#### b Matrix Structure

The major difference between monocratic and matrix structure occurs at the department level. Rather than a centralization of function in the chief executive officer, there is a chief officer's (or senior management) team to handle decisions which cross departmental lines. Although the existing range of departments is retained as the basis of the organization, a network of inter-departmental management teams is imposed laterally to ensure co-ordination on projects which do not fit the departmental structure. These teams correspond to program areas and they are responsible for the impact of programs and the determination and measurement of program objectives. Basically, they provide control for the implementation of large scale programs which require the co-ordination of activities throughout the organization. The success of such an approach can depend heavily on the willingness of council members to work through new systems of information and the willingness of administrative departments to supply resources to the project or program teams.

3 See the LGMP publication: *Improving Management Performance: The Contribution of Performance and Productivity Measurement*.

4 The *Bains Report*. HMSO 1972, Study Group on Local Authority Management Structures "The New Local Authorities - Management and Structure".

5 The *Hickey Report*. Hickey, P., 'Decision-making Processes in Ontario's Local Governments. Department of Treasury, Economics and Interdepartmental Affairs,' 1975, 310 p.

6 Stewart, J.D., *Management in Local Government: A Viewpoint*. London: Charles Knight Publishing, 1971.

Given this framework for developing corporate planning through structural change in Britain, we can isolate and discuss some of the structures most common to local authorities which have undertaken corporate planning. They include a chief executive officer, a senior management team, a policy committee of council and various program committees.

#### i CHIEF EXECUTIVE OFFICER

The *Bains Report* recommended that chief executive officers be appointed in local authorities to have the task of overseeing the implementation of programs and policy. This position is not equivalent to the American city manager's role and that fact is emphasized by local authorities in Britain. Rather, the chief executive officer is very much the servant of council, and in many cities retains the traditional title of Town Clerk, although his responsibilities have changed dramatically. One such responsibility, identified by Coventry, is the vital one of distinguishing issues which should be dealt with by the full corporate system, from those appropriate for unidimensional decisions. Although such a position was very rare in pre-reform local government, with its many independently functioning authorities, by 1971 a trend to chief executive officers (CEO's) in practice if not in name, was becoming evident.

Beginning with Newcastle, central administrative decision makers have been introduced by most local authorities which are practicing some form of corporate planning. While many CEO's have their own departmental responsibilities, both Gloucestershire and Coventry have chosen to have 'free-wheeling' CEO's. In Coventry, the CEO meets daily with top level administrators as a management team. Thus, whether or not CEO's have departmental responsibilities as well, an important part of the position is maintaining relations with and among other officers and keeping communication lines open to encourage a corporate approach at the senior administrative level.

The Greater London Council's clerk was designated director-general in 1968, and made chairman of a chief officer's board as one of the first moves toward corporate planning. His first task was to head an inter-departmental investigation into various management techniques available to support the corporate approach to local government administration. The GLC's experience highlights the value of making some structural changes at an early stage, in developing and implementing corporate planning.

The pros and cons of the CEO position are being hotly debated in many Ontario municipalities at the present time.<sup>7</sup> The value of such a position in providing co-ordination and general administrative direction cannot be denied. On the other hand, there is some danger of too much centralized control by one person, problems for department heads in taking responsibility, in communicating with council and so on. The LGMP experience indicated that the effectiveness of such a position

depends heavily on the personalities involved, the capability of the CEO, the history and structure of the organization and the strength and importance of council/department head relations. There is no question, however, that some form of centralization of both administrative decision making and of the advisory functions of administration is absolutely crucial, and a CEO appears to be the best alternative.

#### ii MANAGEMENT TEAM

Although many different titles are assigned to this feature of the city structure, most local authorities have adopted a management team structure at the highest administrative level. Although the details vary among the cities, most share the basic feature of top administrators working together or with the chief executive officer, to deal with corporate issues, and to foster a corporate ethos. This group is generally fairly small, and has often been created at the same time as wider responsibilities are assigned to the chief executive officer.

Members of the management team are often department heads, as in Coventry where there is daily contact between chief officers and the CEO to identify corporate issues and exchange information, as well as to develop good working relations. Other authorities have created another level of officers above the department heads whose purpose is mainly integrative. In Leeds, for example, a structure of co-ordinating officers with responsibility for groups of departments was developed. These chief officers, together with the CEO, make up a management team. The GLC, on the other hand, began with a triumvirate chief officer's board in 1968 which has since expanded to eight members with the creation of five 'controllers' of services. Each controller is responsible for a combination of departments each of which, in turn, is under the management of its own chief officer. Other cities have a proportion of departmental chief officers making up the management team, thus keeping the team size down while avoiding creation of another administrative level. Cheshire's corporate planning group, for example, consists of the CEO, the county treasurer, county secretary, county planner, and director of the corporate planning unit. The stated purpose of this group includes the examination of practical ways of developing the corporate planning approach, and the study of particular topics of interest to the total municipality.

Similar to the position of CEO, the management team has become a common structural feature of corporate planning in Britain. It is also frequently a motivating force for developing corporate planning more fully. Not only does participation of officers at this level encourage commitment to the process but it also contributes in a practical way to its development. In Manchester, for example, the management team played a leading role in preparing for the introduction of program budgeting. In Sheffield, on the other hand, inter-departmental meetings take the place of a management team, thus satisfying a desire there for minimum change in organizational structure. Again, the modification of structure not only reflects the corporate planning process, but can also often shape that process.

<sup>7</sup> As British municipalities gain more experience with the CEO position, many have had second thoughts about its value, and some have discarded it.

The development of senior management teams with a major emphasis on the LGMP, and methods for developing and evaluating such teams, are suggested in Papers 19 and 20 of *The LGMP Experience: Guidelines for Organizational Change in Local Government*.

Issues which should be considered in relation to the development of a senior administrative team include:

- I who should participate in such a team, and who should determine the membership;
- II how decisions are to be reached if consensus is lacking;
- III whether members retain the right to communicate directly with committees or council, especially where there are differences of opinion on the team;
- IV what responsibilities such a team would carry, and what, if any, formal powers it would have;
- V when the interests of the team (or 'corporate' interests) are different from those of an individual department, to whom does the department head owe his loyalty, and what means are available and appropriate for ensuring that the corporate interests prevail.

### iii POLICY AND RESOURCES COMMITTEE

The equivalent of the management team at council level is the policy and resources committee, which may be known by other names in different British municipalities. In most, however, there is some form of central co-ordinating member body, in addition to council. This body is generally responsible for the strategic planning for the authority. The terms of reference for Grimsby's policy and resources committee, as of January, 1975, for example, include 'to exercise overall control of major policy of all committees and to make recommendations thereon to council' as well as to consider and make recommendations on matters of a scale affecting the borough as a whole. The committee also advises council when there is conflict between committees, and formulates financial policy, as well as advising on the organization and management processes. This broad scope reflects the role of this body, which can do much of the strategic planning work for council.

Some of the questions raised about this type of body,

which have not yet been satisfactorily answered, include those with respect to the composition of the committee, and its role relative to other structures within the organization. The chief executive officer of Grimsby warns that this body should become neither a 'mini-council', usurping council's proper function, nor a rubber stamp for other committees. Also recognized is the difficulty of classifying issues and determining those which are suitable for consideration by the policy board. To what extent councils would hand over to this body its functions of objective setting, allocation of resources, and monitoring performance, is an important question which should be considered if this kind of committee is contemplated. There is also some doubt about the extent to which the judicial prohibition on a council's delegation of its powers would affect the operation of such a committee in Ontario. Boards of control, which to some extent have filled a similar function, have encountered problems in filling a role acceptable to council.

### iv PROGRAM COMMITTEES

British local government has traditionally operated through committee structures; the committees corresponding to service departments. With the move to corporate planning, committees based on city-wide programs have sometimes replaced department committees. In these committees council members and managers can work together and carry out some aspects of corporate planning in the relevant area.

Here, too, structure has been developed according to the needs of individual cities. In the GLC, for example, which inherited a strong executive tradition with fragmented department structure when it was created in 1964, structural change was deferred until four years later. In this way it was felt that committee structure could be tailored more exactly to fit the job to be done.

In Ealing, the program committee structure has been modified to accommodate the fact that most department heads are primarily professional people, rather than managers. In that local authority, departments are grouped under program committees which oversee the co-ordination of service delivery. In addition, however, the committees are broken down into separate administrative sections to relieve department heads of routine tasks, and to free them to use their professional expertise to solve problems within a corporate framework.

## **Appendix II**

### **Strategic Planning**

Strategic planning is one of the most important and yet most neglected aspects of local government. In practice, it is difficult to distinguish between strategic planning and corporate planning and, in fact, it is useful to do so only to highlight the different emphases possible in the planning process as a whole. For the purposes of this paper, strategic planning refers to the area of long-range planning in which municipalities must work together with other jurisdictions and levels of government. It concentrates on how local goals, which affect areas outside the municipality's jurisdiction or which require co-operation from the other levels of government can be recognized and worked on by all concerned. It is, therefore, of particular value to those municipalities in Ontario whose activities are almost never entirely independent. It is neither more or less concerned with policy making than is corporate planning, but can be identified as a distinct planning function because of its emphasis on planning within a broader context.

While corporate planning focusses on middle and long-range planning for the municipality, on issues under the council's control, and upon the mechanisms required for the implementation of such plans, strategic planning provides a vehicle for co-ordinating goals with other agencies, for developing co-operative strategies for working towards those goals, and for evaluating them and revising them where necessary. This kind of planning process is obviously badly needed in Ontario in spite of the development of a number of regional governments. The LGMP experience indicates, however, that this level of planning is impossible without first developing procedures for corporate management at the administrative level.

#### **REGIONAL PLANNING**

The physical boundaries of a municipality no longer represent limits for the influence of municipal decisions. In fact many of the most urgent problems facing local government originate beyond those boundaries. This was one of a number of reasons for the institution of a regional level of local government (see the recent Archer Report on Regional Niagara for a review of those reasons). Consequently, inter-governmental relations have become even more important, not only in respect to their connotations for future policies, but also in regard to the necessary co-ordination of services where municipal and regional responsibilities meet and overlap, as in the case of roads, airports, pollution control, etc.

Planning on a region-wide basis is, potentially, one of the most valuable contributions of a two-tier local gov-

ernment structure. The planning process in area municipalities, and at the regional level is far more likely to be meaningful and effective if it is undertaken with mutual support, co-operation, and sharing of information. Of course, regional government, especially in Ontario, brings with it its own problems of communication, protection of local power and so on. One response to these problems which has had some positive results in the U.K., is the establishment of liaison committees to troubleshoot differences which have not been solved using usual communication channels. Such committees provide a vehicle for communication so that each municipality can learn about other's problems, and so that they can avoid any misunderstandings, solve mutual problems, and so on. Eventually such committees can serve as the foundation for the development of a joint planning process.

In order to meet the demands of planning on a region-wide basis, municipalities will need to develop their own planning processes. They must be able to make their goals and policies explicit, to evaluate the potential impact of local decisions on the region or beyond the region, and vice versa, and to make the priorities and objectives of their own activities clear so that they can be co-ordinated with the programs of other area municipalities and the region. Developing a strong planning process at the local level will make the joint planning process easier, more effective, and much more likely to be successful.

Local politicians still need to recognize the necessity of a regional viewpoint, and the fact that such a viewpoint does not conflict with their ability to represent the citizens who elected them, before regional governments can be effective in planning for the area as a whole. This requires better understanding of how the local political process contributes to conflict resolution. It may be that financial constraints will force an awareness of regional interests, while more experienced regional governments should become more cohesive and able to function as a corporate and strategic unit. The fact that they were drawn up according to the very old and often outdated county lines rather than along lines dictated by current needs is, of course, something of a hindrance to the development of meaningful regional policy. So, too, the limits on policy statements as a tool for council decisions make comprehensive planning as difficult at the regional level as it is at the local level.

Municipalities both within and outside regions nevertheless have ample opportunity to improve their internal planning processes, to develop mutual co-

operation, and to place combined pressure on other levels of government.

The strategies they follow will, as always, depend on each particular situation, but will require open and frank communication, identification and discussion of mutual goals, and an ongoing review of policy and priorities. Administrators in each jurisdiction will play an important role in communicating with other government bodies and municipalities, and in providing councillors with information about shared goals, areas of conflict and so on.

## RELATIONS WITH SPECIAL PURPOSE BODIES

Local government alone does not have the necessary authority to integrate community planning at the present time. Thus corporate planning and management is limited to those areas within municipal control, and strategic planning depends upon the willingness of several semi-independent bodies to co-operate and co-ordinate. Often there may be no reward or potential reward or immediate cost resulting from co-operation on the part of special purpose bodies. If this is the case, they will regard strategic planning in a neutral light at best. Only the Province has the necessary authority over these additional bodies to assign sufficient authority and responsibility to local or even regional governments so that they can act in a strategic planning and management capacity.

## INFORMATION AND PLANNING

The importance of co-ordinating and sharing information within the local administration, and between levels of administration, has already been stressed. Because planning and management depend so heavily on information, it plays an especially important part in developing the type of approach to planning and management which the LGMP Team has found to be so important to effective local government, and which this paper has been exploring. Indeed, the success of attempts to develop an integrated and co-ordinated approach to planning depends at least in part on developing a similar approach to information, and to its use in management.

Eventually, (hopefully quite soon) strategic planning must become more effective in the highly urbanized areas of Ontario, if municipal government is to cope with the many inter-related problems which are arising. Thus information should be accumulated and mechanisms developed which will aid in strategic planning and means of storing and controlling such information need to be developed.

Administrators concerned with the development of information systems would be wise to keep this in mind, and to set up storage and reporting facilities which will enable cities to develop information from trend analysis of population, industrial development, social change and environmental influences for the whole municipality and for inter-related areas.

One method of obtaining information for both strategic and corporate planning has been through the medium of public participation. While we will not attempt to discuss efforts at strategic planning on a wholistic basis, attempts at public participation and their strengths and weaknesses are both interesting and important.

## ESTABLISHING BROAD GOALS THROUGH CITIZEN PARTICIPATION

Goal setting is, of course, an integral part of any planning process. Whether or not goals are made explicit, they are the foundation on which more specific strategies, programs and objectives rest. Traditionally, goals are established by the 'experts' in the planning department with whatever guidance they can get from councillors.<sup>1</sup> More recently, however, along with the expansion of issues considered appropriate for municipal planning, and public concern over where cities are headed, there has been much greater awareness of the importance of general goals for the municipality. There have been a number of different approaches taken and the most significant are discussed briefly below.

### 1 Privately Funded Programs

One of the best known programs of broad goal setting is the Goals for Dallas program which began in 1965, and which has served as a model for close to one hundred similar programs in cities across the U.S. It is therefore discussed here in some detail. It was initiated in 1965 by Mayor Erik Jonsson as a three stage program of setting goals for the community. The program is directed by a Goals for Dallas Planning Committee consisting of 27 members from all sections of the community. At the present time the program is still in force and over the last 10 year period over 100,000 citizens have been directly involved in the goal setting and review process. The Dallas program thus had extensive citizen participation in the goal setting process.<sup>2</sup>

The thrust of this and similar programs is to respond to the need for a clearer statement of community aspirations towards which the municipal government (and other local groups and agencies) should be working by having citizens themselves define community goals. The lack of adequate information about available resources was recognized, and the economic potential of the area was researched and published in handbook form. The problem of co-ordinating the efforts of all local agencies to achieve mutually supportive goals was seen as being overcome by the creation of the citizen committee which is independent of any particular organization, including the local government.

The value of this program for other cities is indicated not only by the number of goal setting efforts modelled on it, but also by its continuous operation over more than a decade. The 1973 committee report on the future of Goals for Dallas listed the following points as the main benefits of the goals program:

- a Dallas has a set of goals determined by the participation of more than 100,000 of its citizens. The goals

1 Even this guidance is severely limited, and, in fact, its value is questioned by many professional planners, as for example in the case of the OMB decision in Toronto's 45 foot holding by-law where a planner confessed to being influenced by the view of the elected Council. In spite of this example, however, one of the most common complaints from administrators concerns the lack of this kind of guidance from Council.

2 For a detailed description of the Goals for Dallas program see the LGMP paper of the same name.

- are recorded along with a description of how and when each goal should be achieved.
- b The program has been instrumental in making people think about their city and what it can be and has helped citizens to become aware of the choices available to them.
  - c New community leaders have emerged through opportunities provided by the goals program.
  - d The goals provide clear signals to private and public bodies about what citizens want and need. It has been proven that the people will give the support needed to implement programs to reach their goals. City and school board issues are proven examples.
  - e The program provides an opportunity to use a systems approach to community planning. This approach calls for the examination of the totality of the community's problems and challenges simultaneously.
  - f The program has encouraged many public and private organizations in the community to do long-range planning.
  - g The goals program has brought recognition to Dallas from many places.
- The initiators have not considered the weaknesses of this program to be sufficiently serious to justify ending the effort, but they should be examined to determine how they might limit the contribution such programs can make to the municipal planning process. They include the following:
- a Insufficient co-operation between the goals program and the organizations with ultimate responsibility for achieving the goals. This includes problems of:
    - i citizens setting goals without a clear understanding of the legislative and resource limitations under which the city administration must operate;
    - ii the danger of lack of commitment to goals into which they had no input, by both councillors and administrators;
    - iii possible lack of continuity because the program is not built into the structure of local government;
    - iv especially where there is very little council involvement, there is technically no obligation for agencies to work on the goals; and
    - v the identification of goals and objectives for the administration does not resolve the fundamental need for long and middle-range planning processes at the administrative level.
  - b Priorities are established only among sub-goals in a given goal area, not among the total list. This tendency to avoid establishing priorities is not unusual, as has been pointed out above. The failure in this case, however, indicates not only the difficulty of establishing priorities, but also implies that this kind of program provides no mechanism for mediating between competing viewpoints and interest groups.

c **Financing and leadership.** Goal setting programs involve a great deal of hard work, frustration, hours of discussion, and countless meetings and therefore require strong, committed leadership. They also require strong financial backing. Both these requirements can create considerable problems including:

- i a narrow leadership base;
- ii problems of power plays;
- iii inadequate selection of leaders;
- iv concentration of responsibility on program leaders rather than the appropriate officials and agencies;
- v a tentative financial base.

d **Public participation.** The way the public involvement is structured and directed in most programs of this type has a number of potential weaknesses, which should be pointed out here:

- i although it is claimed that demands for citizens to be involved in municipal decision-making are satisfied by this kind of process, it fails to provide a mechanism for citizens and city planners to work together in an ongoing process of dialogue and mutual education;
- ii if a representative cross-section of citizens does not come forward, and remains committed and involved, this kind of program is almost useless and sometimes potentially harmful since it can become a tool for manipulation.

e **Co-ordination.** Because the goals program is established as a separate entity, and in isolation from municipal agencies there is no effective mechanism for co-ordinating goals, avoiding duplication of effort, or dealing with contradictory goals.

f **Goal achievement is not measurable in most instances.** In some programs the goals are so general as to be meaningless in terms of action or evaluation. In other cases where the goals incorporate a degree of measurement (i.e. time schedules) it is often difficult to determine what programs have been met or were not met because of inherent flaws in goals or because they were not enthusiastically pursued by those responsible for them.

g Goals programs which incorporate action plans require a review mechanism and a mechanism for changing the action plans as conditions warrant (economic conditions or, more important, the institution of new Federal or Provincial grants programs). Such review and change mechanisms are difficult to operate in large scale goals programs.

## 2 Goals as Part of the Official Plan

In Ontario, most broad goal setting efforts are undertaken to provide input for the Official Plan, the traditional focus of the planning process. They differ from efforts modelled on the Goals for Dallas experience in that the impetus for the program comes from the local government itself, which also determines what form the program will take. On the whole, programs with ap-

proximately the same level of citizen participation often share a number of characteristics. Consequently, this type of goal setting can be examined in terms of participation levels and the degree and nature of government involvement.

#### a MINIMAL CITIZEN PARTICIPATION

The first set of Official Plan goal programs are those in which council has set the goals, but citizen participation has been either minimal or entirely lacking. The impetus to go through such an exercise is usually the fact that the Official Plan is coming up for review and council wants to ensure that its direction is consistent with their views of the goals of the citizenry. In some cases the goals are published and public reaction is invited but this tactic seldom results in any more than minimal participation by a very narrow segment of the population.

#### b MODERATE CITIZEN PARTICIPATION

The major differences between Official Plan goals programs which experience minimal citizen participation and those which experience moderate participation lie in the effort expended to obtain that involvement. Instead of merely requesting citizens to write in their comments on the goals, programs of the latter type take some further steps to involve the public, such as holding public meetings to discuss the goals. Generally, as in the minimal citizen participation programs, the preliminary goals are set by council or the planning department rather than the public. The 1973 program in Minneapolis and the 1971 effort in Halifax are examples. The citizen participation phase of such programs results in the spreading of information and the heightening of awareness of civic issues more than any substantial changes in the goals.

#### c EXTENSIVE CITIZEN PARTICIPATION

Official Plan goals programs which gain extensive citizen participation are often hard to distinguish from the major 'broad municipal direction' programs discussed earlier. Indeed many of the programs of this type, such as Austin Tomorrow (Texas), the Los Angeles Goals Program, Covina (California), and Critical Issues and Goals for Texarcana (Texas), have drawn heavily from the Goals for Dallas experience. The major differences are:

- i the decision by council that the goals should be used to form the basis for a new or revised Official Plan; and
- ii the extensive role council plays in the program, sometimes actually running it and always having the last say on the goals as included or embodied in the Official Plan.

Preliminary goals in these programs are usually set by citizen committees rather than by council or the planning department, and extensive efforts are made to involve as many people as possible. Because many of the benefits of such programs come from the actual citizen participation these programs usually generate more meaningful results than those with less participation.

An analysis of the participation phase of such a pro-

gram in Ottawa/Carleton pointed out two problems which were common to many of these programs:

- i it had not reached a broad enough public; and
- ii it had not succeeded as well as hoped in establishing a dialogue between citizens and planners.

#### d DIRECT CITIZEN INPUT TO PLANS

In the programs dealt with to this point, goals have been set to be incorporated by the planning department or city council into a new or updated Official Plan. In a few unique programs, citizen involvement has been taken a step further so that the public is not only setting goals and objectives but is also giving direct input to the actual plans for their section of the municipality.

While this process was both slow and expensive, requiring more than twice the amount of manpower necessary for preparing a comprehensive plan without citizen participation, Fort Worth Texas officials, who initiated this kind of program, felt that it was time and money well spent. While the resulting plans have not been extraordinary, the interaction between citizens and planners led to a strong and valuable rapport between them.

#### e PROVINCIAL OR STATE PROGRAMS

At a different level, but in somewhat the same vein, are Provincial (state) or Federal programs that seek to involve citizens in planning-related goal setting. One such program is the Neighbourhood Improvement Program (NIP) sponsored jointly in Canada's Federal, Provincial and municipal governments. NIP provides the citizens of selected municipal sectors with money to improve their neighbourhoods, in (almost) any way they see fit. This involves setting up a citizens' organization, using that organization to determine problems and needs, setting goals and objectives for the future, and incorporating those goals and objectives into a neighbourhood plan.

The shortcomings of all these programs are similar in many ways and can be summarized as follows:

- i Often there is no provision for ongoing evaluation to determine if the goals and assumptions are valid and to see whether goals and objectives are being accomplished (some have followed up - e.g. Covina, but many have not).
- ii Goals are sometimes too specific, taking away from the planner's flexibility, e.g. that x street should be made into a boulevard.
- iii Goals are often too vague to guide subsequent action, resulting in meaningless rhetoric.
- iv Conflicts among goal statements are fairly common but no means is provided for a resolution of that conflict.
- v The legal status of goal statements in an Official Plan is unclear - probably they influence the interpretation of the plan but have no legal strength.
- vi A major problem lies in the fact that unless great effort is put into getting broad citizen participation, various interest groups can exert an inordinate

amount of influence on the goals which are determined.

- vii The most difficult task is to develop dialogue and rapport between citizens and planners. Even where citizens have been highly involved, they are often unsure as to the impact of their suggestions, and frequently believe, sometimes accurately, that planners hold firm to their original plans. This means that the meetings are merely a form of tokenism in such cases.
- viii There seems to be a need to decentralize the planning process because citizens are more likely to get involved if they are able to deal just with their part of the community rather than the whole municipality.
- ix To overcome tokenism, many citizens feel they must have some direct input to the actual development of the plan.
- x Many programs are one-shot even though they may cover two or three years. Few involve ongoing processes and evaluation phases are rarely established.

#### POTENTIAL BENEFITS OF GOAL SETTING PROGRAMS

The following are seen as the main potential benefits of broad municipal direction setting (or goal setting) programs.

- 1 They allow for the formulation of clear, long-term goals and objectives acceptable to the community as a whole and, if it is part of the process, the preparation of a plan of action to achieve the objectives. Such goals ideally provide a reasonably accurate expression of community values and therefore should provide a framework for action.
- 2 The goals and objectives should be an aid to elected and appointed officials in that they should subsequently aid in reducing crises in decision-making situations. Similarly, they should aid the decentralization of authority, since the various 'action agencies' know better what is expected of them, and can make decisions accordingly.
- 3 They provide the opportunity to use a systems approach to community planning. If the program is structured around community goals and objectives (usually those which use an independent organization) the totality of the community problems and challenges are examined simultaneously. As well, the whole gamut of inter-related programs to meet citizen needs can be considered. This comprehensive approach can deal with the problems of co-ordination and co-operation among agencies which are likely to occur when a single local government authority tries to set the goals and objectives for the total municipality. A wider range of goals can be established than is usually the case in local government.

4 They usually result in a higher level of citizen awareness, particularly in those communities which use extensive citizen participation. The process, if carried out effectively, can stimulate citizen interest in the future of the community. Concomitant to this process would be increased understanding of constraints upon action and costs of development or renewal. Further, the process can contribute to a consensus regarding the direction of future developments.

- 5 They provide the opportunity to undertake projects that may not have been identified without a comprehensive examination of community needs.
- 6 Many public participation exercises revolve around specific issues and not the full spectrum of issues affecting the quality of life in a community. In specific interest public participation exercises, groups are allowed to make their cases in isolation from the rest of the community and in isolation from other related issues. An overall goal setting program, involving extensive public participation, requires co-ordination and integration. These characteristics are often lacking, even in the best of the debates on narrower issues.
- 7 If the goals program is an ongoing process with action plans to achieve the goals and some sort of review process, those responsible for providing the services are provided with feedback from the citizens on progress towards the goals. The public can be kept better informed as well.
- 8 A goal setting program provides a meaningful mechanism to encourage elected officials and administrators to become more interested in long-term planning. This is particularly true of goal setting programs which follow the independent organization, minimum council involvement, approach. Such programs are different from council-run programs where goals are often shorter term, reflecting the two-year election cycle.
- 9 Programs using an independent organization have the advantage of being less political in nature. Community goals become divorced from 'local' politics. This is felt to be an advantage by many administrators, but may also lead to avoiding controversial but important issues, failure to resolve or even recognize conflict and to the misleading image of planning as essentially non-political in nature.

## **Appendix III**

### **Project Publications**

The investigations required for the design of this Project have led to some publications and working papers. These publications will be available for purchase on the publications date indicated on the attached order form. Orders should be sent to the Ontario Government Publication Centre, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, Ontario, M7A 1N8.

Apart from the *Project Overview Statement*, the various publications have been grouped into four series.

#### *Project Overview Statement*

This paper describes the Project in overview fashion. It contains a statement of the goal and objectives of the Project, a description of the goal and objective setting process, and the documentation and evaluation processes to be used in the study. Price \$1.00.

#### **SERIES A PUBLICATIONS: PROJECT DOCUMENTATION AND EVALUATION**

The purpose of this series of papers is to describe the experiences of the four Project Municipalities, to analyse those experiences, and to indicate their possible relevance to other municipalities. This series will also include papers outlining the design of the evaluation process, as well as periodic reports on the evaluation of the Project.

- 1 *The LGMP Experience: Phase 1.* This paper traces the Project from its inception in 1972 through various approval stages ending with the approval of the Project by each of the four participating municipalities. Price \$2.00.
- 2 *The LGMP Experience: Phase II.* This paper traces the Project through its early implementation stages, ending at the termination of the second full year of funding. Price \$4.50.
- 3 *The LGMP Experience: Phase III.* This final publication will include an overall perspective on the LGMP and an evaluation of the total experience. The analysis section, in this case, will be an analysis of the complete project and the paper will review the broad implications of similar major programs of organizational change for other local government organizations. Price \$4.50.
- 4 *The LGMP Experience: Guidelines for Organizational Change in Local Government.* As they identified requirements for management improvement, the Project Team attempted to meet training needs and developed working papers explaining the procedures they had used. In total, these working papers,

which have been edited and included in one publication, provide a framework or guide for various aspects of organizational change in local government. Price \$4.50.

#### **SERIES B PUBLICATIONS: TECHNICAL PAPERS**

The purpose of this series of papers is to present reasonably concise descriptions of broad areas of municipal management and administration as they relate to various aspects of the Project. These papers, which describe the state of practice and experimentation of the various areas, have been written for elected and appointed local government officials.

- 1 *Corporate Management: Its Role in Local Government.* This paper defines the processs of corporate management in local government and includes a discussion of a method of approaching a more effective corporate operation. Price \$3.00.
- 2 *Improving Management Performance: The Role of Productivity and Performance Measurement.* An overview of the field of performance measurement including examples of output measure, fiscal measures, process measures, and methods of program evaluation. Annotated bibliography. Price \$5.00.
- 3 *Management Improvement: A Manager's Guide to the Theory and Process of Individual and Organizational Change.* This paper describes frameworks for individual and organizational change which seem to be supported by the LGMP experience. Price \$3.00.
- 4 *Improving Management Performance: The Role of Management Information.* This paper discusses the relationship between information and effective management, with particular emphasis upon techniques that individual managers can use to improve their own use of information. Price \$3.00.

#### **SERIES C PUBLICATIONS: CASE STUDIES**

The purpose of this series is to describe various municipal experiences with programs related to the goal and objective setting process. The case studies are suitable for instructional purposes to focus discussion on the broad areas which the cases represent.

- 1 *Goals for Dallas 'A'.* The Dallas, Texas experience with broad goal setting, involving extensive public participation. The 'A' case reviews the program from its inception in 1965 to 1972. Price \$2.00.
- 2 *Goals for Dallas 'B'.* The Dallas, Texas experience with broad goal setting, involving extensive public

participation. The 'B' case examines the program from 1972 to 1974. Price \$2.00.

#### SERIES D PUBLICATIONS: PERIODIC PAPERS

The purpose of these papers is to describe various aspects of the Project which are felt to be of interest to municipalities contemplating the introduction of a system of goals and objectives.

##### *1 Developments in the Management of Local*

*Government—A Review and Annotated Bibliography.* This paper was prepared to provide local government managers and elected representatives with a description of current developments in the field of local government. The paper describes ten areas of development in the management of local government and supplies annotated bibliographies of books, articles and reports dealing with these areas. Price \$2.00.

## **Local Government Management Project**

# **Publication Order Form**

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